中国银河证券 | CGS

Hang Seng Corporate Sustainability Index Series Member 2025-2026



2025

China Galaxy Securities Co., Ltd. Sustainability & Environmental, Social and Governance Report

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About this Report

This is the second Sustainability Report and the ninth Environmental, Social and Governance (ESG) Report released by China Galaxy Securities Co., Ltd. It aims to disclose the principles, management methods, efforts, and achievements of the Company in environmental, social and governance to stakeholders.

Scope of the report

Organizational scope It is the same as that of the annual consolidated financial statements of the Company.

Company name	Abbreviation
China Galaxy Securities Co., Ltd.	China Galaxy Securities, CGS, the Company, We
Galaxy Futures Company Limited	Galaxy Futures
Galaxy Derivatives Company	Galaxy Derivatives
Galaxy Capital Management Company Limited	Galaxy Capital
Galaxy Jinhui Securities Assets Management Co., Ltd.	Galaxy Jinhui
Galaxy Yuanhui Investment Co., Ltd.	Galaxy Yuanhui
CGS International Holdings Limited	CGI
CGS International Securities Pte. Ltd. and CGS International Securities Malaysia Sdn. Bhd.	CGS International

Time span From January 1, 2025 to December 31, 2025. Part of the contents may exceed the above-mentioned time span.

Release cycle This is an annual report. The release time of the last report is in March 2025.

Preparation basis of the report

This report has been prepared in accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)*, the *Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standard Operation* ("SSE Guideline"), the *Environmental, Social and Governance Reporting Code* (effective from January 1, 2025) of the Hong Kong Stock Exchange ("HKEX") and also with reference to the *Guide No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Preparation of Sustainability Report* ("SSE Guide") and the *Sustainability Reporting Standards (2021)* of Global Reporting Initiative ("GRI Standards").

Preparation principles of the report

This report has been prepared following the reporting principles in the *SSE Guideline* and *Environmental, Social and Governance Reporting Code* of the HKEX, including:

Materiality

The Company has identified material issues of concern to various stakeholders that are relevant to its operations, which serve as the focus of this report. In reporting on these material issues, the Company has also taken into account the characteristics of its industry and business activities. The analysis process and results of the material issues are set out in the section "*Assessment of Issue Materiality*" in this report.

Accuracy

The Company has endeavoured to ensure the accuracy of the information disclosed in this report. For quantitative information, the data scope, calculation basis and underlying assumptions have been specified to ensure that any margin of error does not mislead users of the information. Details of quantitative data and related notes are provided in the section "*ESG Data Sheet and Notes*". The Board of Directors warrants that the report contains no false records, misleading statements or material omissions.

Comparability

The statistical methods and disclosure approaches for the same quantitative indicators remain consistent across different reporting periods. Where there are changes in data collection, measurement or calculation methods, the relevant data have been restated retrospectively, and the adjustments and reasons for such changes are explained in the notes to enable stakeholders to conduct meaningful analysis and assess trends in the Company's ESG performance.

Timeliness

This is an annual report covering the period from 1 January 2025 to 31 December 2025. Unless otherwise specified, the data presented in this report relate to this reporting period. The Company publishes the report after the end of the reporting year to provide stakeholders with timely information for decision-making.

Clarity

This report is published in simplified Chinese, traditional Chinese and English. It includes tables, model diagrams and other supplementary information to assist stakeholders in understanding the textual content. To facilitate efficient access to information, the report provides a table of contents and indexes referencing applicable ESG standards. Please refer to the section "*Report Index*" for details.

Verifiability

The cases and data disclosed in this report are derived from the Company's internal operational records or financial reports. The Company systematically manages historical ESG quantitative performance data. The sources and calculation processes of the disclosed data are traceable, effectively supporting assurance work conducted for the reporting period.

Balance

The contents of this report reflect objective and truthful facts. Both positive and negative information relating to the Company have been truthfully disclosed.

Completeness

The scope of disclosure in this report covers China Galaxy Securities Co., Ltd. and its subsidiaries, consistent with the scope of the Company's consolidated financial statements.

Quantitativeness

This report discloses key quantitative indicators. Please refer to the section "*ESG Data Sheet and Notes*" for details.

Data in the report

The financial data in this report are extracted from the audited annual reports of the Company and other data are obtained from the Company's internal systems or manually compiled. The currency types and amounts mentioned in this report are in RMB unless otherwise stated.

Publication form of the report

This report is prepared in Chinese and English. This report is released both in hard copies and online. The online version is available on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited, the Shanghai Stock Exchange website, and the Company's official website.

Third party assurance

Ernst & Young Hua Ming (LLP) is engaged to provide independent third party assurance services on selected ESG indicators disclosed in this report. Please refer to the "*Third-Party Independent Assurance Report*".

Acknowledgment and approval

This report was considered and approved by the Board of Directors on March 30, 2026.

ESG Statement from the Board

2025 marks the 25th anniversary of the founding of China Galaxy Securities and the final year of the Company's three-year strategic plan. The Company remains committed to deeply integrating ESG principles into its long-term development strategy and business layout. ESG considerations are systematically embedded throughout the entire management and operational process, enabling ESG efforts to operate in a more structured, standardized, and efficient manner. Through these efforts, CGS continues to strengthen the foundation for high-quality and sustainable development.

CHINA GALAXY SECURITIES

Improving the governance structure and strengthening ESG top-level design

The Company continues to optimize its ESG governance framework and clarify responsibilities. CGS revised the *Rules of Procedure for the Strategy and ESG Development Committee of the Board of Directors*, further incorporating the oversight of climate-related impacts, risks and opportunities into the functions of the Board's specialized committee. At the management level, the Company establishes an ESG Management Committee and holds regular meetings to enhance coordination and execution oversight. These arrangements ensure that sustainability requirements are effectively implemented in both strategic planning and daily management, forming a governance structure characterized by top-down alignment and coordinated advancement.

Enhancing execution mechanisms and improving the effectiveness of ESG management

In 2025, the Board reviewed and supervised multiple ESG-related matters concerning corporate governance, compliant operations, risk management, and information disclosure. The Company continued to improve its institutional framework and implementation procedures, strengthening supervision and evaluation mechanisms to ensure effective ESG management. Meanwhile, CGS reinforced ESG capacity building by organizing thematic training sessions and facilitating internal and external exchanges. These initiatives enhanced the management team's and relevant personnel's understanding of regulatory trends and industry practices. The Company has further integrated ESG principles into decision-making processes and operational activities, continuously improving governance standards and the transparency of information disclosure.

Focusing on key issues and advancing the implementation of ESG objectives

Through stakeholder communication, policy research, and industry trend analysis, the Company identifies and evaluates material ESG issues based on the principle of double materiality. For issues with financial materiality, CGS conducts risk and opportunity analyses, sets corresponding targets, and establishes ongoing monitoring and improvement mechanisms. These efforts form a closed loop between ESG management and business operations. By effectively mitigating potential risks while capturing sustainability opportunities, the Company provides strong support for its long-term stable operations.

2026 marks the opening year of the 15th Five-Year Plan period and the starting point for the implementation of the Company's new round of strategic planning. Taking this as a new starting point, CGS will continue to deepen its ESG governance practices, enhance management capabilities and value creation, and further advance ESG initiatives in a more substantive and effective manner. The Company will strive to make greater contributions to building a strong financial sector and promoting high-quality economic and social development.

Chairman's Statement

2025 marks the concluding year of the 14th Five-Year Plan for CGS, and a pivotal year for systematically planning development under the 15th Five-Year Plan and accelerating the Company's progress toward becoming a first-class investment bank in China. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company remains firmly committed to the political and people-oriented nature of financial work. CGS prioritizes functionality, balances development and security, and advances steadily while serving national strategies and supporting the development of the real economy.

During the year, the Company upheld political development as the overarching principle and continued to strengthen the "roots" and "soul" of a state-owned financial enterprise. CGS further strengthened the overall leadership of the Communist Party of China and promoted deeper integration between Party building and business operations. The Company carried out high-standard and high-quality study and education programs on thoroughly implementing the spirit of the Party's eight-point frugality code, while continuing to advance the "Clean CGS" initiative. CGS reinforced integrity management across the workforce, effectively translating the Party's political and organizational strengths into governance effectiveness and development momentum.

During the year, the Company strengthened strategic leadership and consolidated the foundation for sustainability. With the goal of building a first-class investment bank, CGS continued to optimize and implement its development approach of "Five-in-One" and "Three Plus One ". The Company advanced key strategic initiatives and achieved comprehensive revenue growth across all business segments. CGS further deepened its engagement in the "five major areas of finance", focusing on key areas such as technological innovation, green development, and inclusive finance. Through innovative financial products and service models, the Company supported the establishment of the China-ASEAN Fund, participated in cooperation projects in capital markets both domestically and internationally, and continuously enhanced its capacity to serve high-level opening-up.

During the year, the Company strengthened its sense of responsibility and demonstrated the commitment of a state-owned financial enterprise. CGS further advanced assistance initiatives for promoting rural revitalization, including launching a high-speed rail special train promoting Jingning apples. The experience of supporting the Jingning apple industry was selected as a global best poverty reduction case. Meanwhile, the Company continued to improve its ESG governance framework and strengthened the Board-level mechanism for sustainability management, promoting deeper integration between business operations and sustainability principles. CGS also advanced the development of the "ONE CGS" cultural framework, reinforcing a culture of collaboration, strengthening employees' sense of belonging, and enhancing organizational cohesion to provide lasting cultural momentum for sustainability.

Looking back at the 14th Five-Year Plan period, the Company's overall strength has improved significantly. Key indicators, including total assets, net assets, net capital, operating revenue, and net profit attributable to shareholders of the parent, reached record highs. The number of clients successively surpassed 13 million, 15 million, and 19 million, while client assets under custody continued to exceed RMB4 trillion, RMB5 trillion, and RMB6 trillion. The Company's development achievements have been widely recognized, marking a new stage in high-quality development.

Looking ahead to the 15th Five-Year Plan period, CGS will remain firmly committed to its mission of "serving the nation through finance and putting clients first". The Company will resolutely implement the strategic arrangements of the national 15th Five-Year Plan, align closely with its objectives and tasks for 2026, and consciously integrate its development into the broader national agenda. CGS will accelerate its efforts to build a first-class investment bank in China, remain steadfast on a path of financial development with Chinese characteristics, and strive to demonstrate greater responsibility as CGS on the new journey toward building a strong financial sector.

China Galaxy Securities Co., Ltd.
Wang Sheng
Party Secretary and Chairman

President's Statement

In 2025, amid a complex and evolving external environment and deepening reforms in the capital markets, China Galaxy Securities adhered to its operating philosophy of "professionalism as the foundation, compliance as the priority, and pursuing progress while maintaining stability". During the year, the Company recorded operating revenue of RMB28,302 million, net profit attributable to shareholders of the parent of RMB12,520 million, and total assets exceeding RMB855.7 billion. CGS successfully completed the objectives set out in its three-year strategic plan, laying a solid foundation for entering a new stage under the 15th Five-Year Plan.

The Company aligned closely with national strategic priorities and delivered solid results in fulfilling its functional role. CGS participated in the issuance of the first batch of sci-tech innovation bonds by commercial banks and acted as the lead underwriter for the country's first sci-tech innovation bonds issued by private equity investment institutions. The Company supported the listing of the largest global IPO by a Chinese automobile manufacturer, strengthening the capital market's role in supporting technological innovation. CGS also completed the first offshore green bond basket transaction and facilitated the listing of green financial bonds in Luxembourg. The Company served as the sponsor for the "first ESG shipping stock" listed in Hong Kong, expanding cross-border financing channels for green assets. In addition, CGS continuously supported the Ministry of Finance in issuing RMB sovereign bonds in Macao S.A.R. and leveraged funds in the Hainan Free Trade Port to deepen regional coordination, further strengthening its comprehensive cross-border financial service capabilities.

CGS continued to optimize its business framework and enhance core competitiveness. The wealth management business deepened its transformation, further improving the client service ecosystem. The investment banking business achieved both quality and efficiency improvements, with breakthroughs in equity financing and mergers and acquisitions. Institutional business advanced through diversified and coordinated development, with the number of institutional clients increasing by nearly 1,000. Investment and trading operations adhered to prudent strategies and maintained cautious operations amid volatile market conditions. Meanwhile, international business and subsidiaries continued to strengthen their operating capabilities, further enhancing integrated domestic and overseas business development.

The Company upheld integrity and innovation while continuously improving governance and risk management capabilities. CGS strengthened group-level management and control, further optimized resource allocation, and improved operational efficiency, with digital transformation significantly empowering development. The Company fully implemented regulatory and shareholder requirements for risk management, enhanced its consolidated management framework, and continuously refined risk measurement and intelligent early-warning mechanisms. Asset quality improved effectively, while closed-loop management for compliance, internal controls, case prevention and control, and audit supervision became more robust. These efforts ensured steady development on the premise that risks remain measurable, controllable, and manageable.

A new stage brings new opportunities, and a new journey calls for new achievements. CGS will continue to pursue progress while maintaining stability and focus on improving quality and efficiency. The Company will fully and faithfully implement the new development philosophy, further strengthen strategic leadership, deepen reform and innovation, and reinforce the bottom line of risk prevention and control. By accelerating the development of a first-class investment bank in China, CGS will make new and greater contributions to supporting the development of a strong financial sector.

China Galaxy Securities Co., Ltd.
Xue Jun
Deputy Party Secretary and President



About Us

Company profile

China Galaxy Securities is a leading integrated financial services provider in China's securities industry. Leveraging its distinctive history, brand recognition and shareholder strengths, the Company ranks at the forefront of the industry in terms of capital strength, profitability, business capabilities and risk management capacity. CGS delivers comprehensive and professional financial services to individual, corporate, institutional, international and capital market clients. Its services span wealth management, investment banking, institutional business, international business, investment and trading, among others, forming a multi-tiered and integrated service system. The Company is committed to building a respected modern investment bank.

Basic information

Chinese name

中国银河证券股份有限公司

English name

China Galaxy Securities Co., Ltd.

Registered capital

RMB **10,934** million

Total assets

RMB **855,745** million

Operating revenue

RMB **28,302** million

Total number of employees

14,259

Main business

Wealth management business, investment banking business, institutional business, international business, investment trading business, and parent-subsidiary integration business.

Major subsidiaries

Galaxy Futures, Galaxy Capital, CGI, Galaxy Jinhui, Galaxy Yuanhui

Listing

A-shares

Listed on the Main Board of the Shanghai Stock Exchange on January 23, 2017
Stock abbreviation: CGS
Stock code: 601881.SH

H-shares

Listed on the Stock Exchange of Hong Kong on May 22, 2013
Stock abbreviation: CGS
Stock code: 06881.HK

Business layout

The Company has a presence in more than **10** countries and regions (including countries or regions involved through partnership) on the **five** continents

Within the Chinese mainland, CGS has **37** branches, nearly **500** business departments and **five** subsidiaries

and connects to **35** stock trading markets and **30** exchanges around the world

The Company serves more than **19** million customers in China and along "**the Belt and Road**"

and provides custody service with a market value of over RMB**6** trillion.

The Company is a fully licensed securities company in China

As an Asian gateway for worldwide finance, CGS International has a **45**-year-long operating history in Asia and is one of the securities companies that offer the most comprehensive products and services in the ASEAN region. CGS International maintains an absolute leading position in the Southeast Asian market: Its brokerage business is ahead in key markets such as Singapore, Malaysia, Indonesia, and Thailand.



Strategic planning

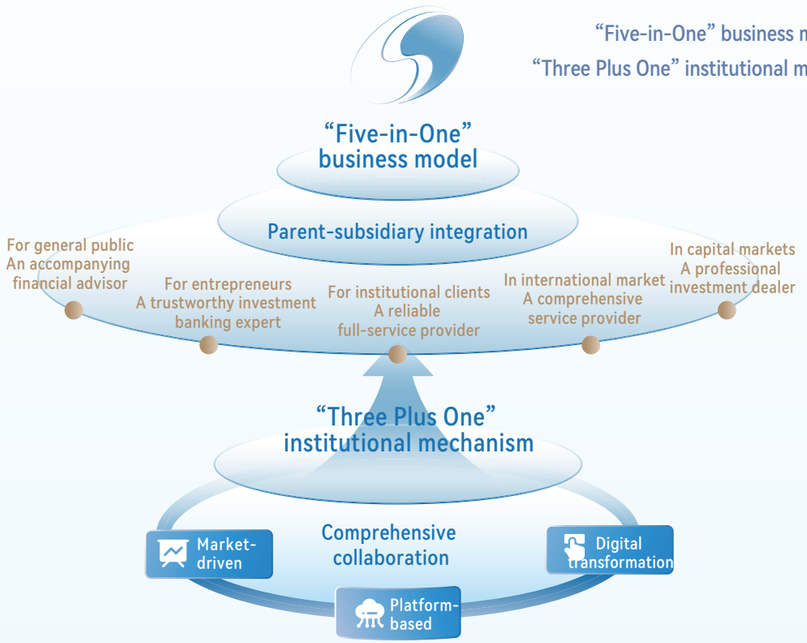
As the concluding year of the *2023-2025 Strategic Development Plan of China Galaxy Securities*, 2025 marked a critical milestone in the Company's strategic implementation. Under the established strategic framework, CGS continues to advance high-quality development, accelerates the coordinated implementation of its "Five-in-One" business model, and further consolidates the operational effectiveness of the "Three Plus One" institutional framework. These efforts contribute to phased progress in CGS's transformation from a traditional securities firm into a modern investment bank. Guided by market-oriented and internationalized principles, the Company continuously enhances its comprehensive financial service capabilities and core competitiveness. CGS steadily advances toward its goal of becoming a respected, leading modern investment bank in China and a first-rate one in the world.

Strategic goals

To become a first-rate modern investment bank in China and an excellent one in the world by 2025.

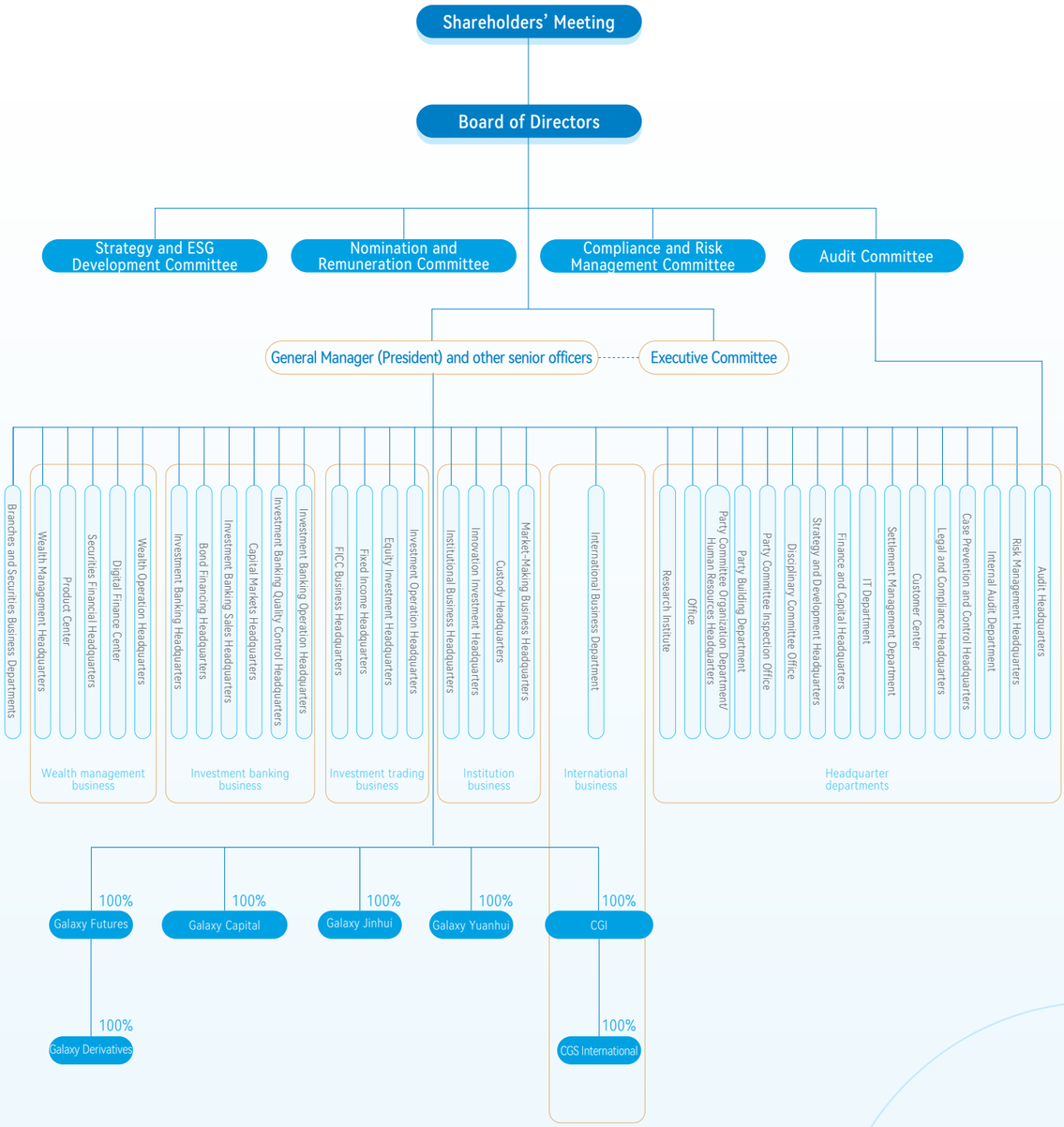
To become a respected, leading modern investment bank in China and a first-rate one in the world by 2030.

"Five-in-One" business model and "Three Plus One" institutional mechanism



In 2025, the Company made strong progress in advancing its strategic initiatives. Revenues across all business segments grew comprehensively. Light-asset income exceeded RMB10 billion, while investment business, institutional business, international business and Galaxy Derivatives reached record highs. Wealth management business achieved a ten-year high, and investment banking business and asset management business hit five-year highs. The Company fully initiated the preparation of its 2026-2030 strategic plan. CGS places functionality at the forefront and closely aligns its planning with the needs of real-sector enterprises and industrial development. CGS prioritizes serving national strategies and focuses on enhancing relevant working mechanisms and comprehensively advancing the "five major areas of finance", thereby continuously strengthening its capacity to support national strategies. CGS has incorporated this commitment into its overall strategic objectives.

Organizational structure



Value chain

The value chain of the Company is structured around the full lifecycle of capital market services. Upstream, CGS relies on suppliers of technology and data, as well as external support from regulatory authorities and securities exchanges. At the core of the midstream segment, the Company conducts wealth management, investment banking, institutional, international, investment and trading, and parent-subsidiary integration business. Through portfolio management, CGS facilitates capital allocation and investment management. Downstream, the Company delivers comprehensive financial services to a diverse client base, including individual, corporate and institutional clients.

Scope of CGS's value chain

Upstream of the value chain

This segment provides infrastructure, technical support and other essential services to the Company, including:

- Technology suppliers
- Regulatory authorities and securities exchanges
- Data and information suppliers

Midstream of the value chain (the Company)

As the core segment of the value chain, the Company utilizes resources and services provided upstream to deliver a wide range of financial products and services to downstream clients. CGS's principal businesses include:

- Wealth management business
- International business
- Investment banking business
- Investment trading business
- Institution business
- Parent-subsidiary integration business

Asset allocation | Investment management

Portfolio

The Company engages in investment and trading of equity securities, fixed-income securities, commodities, foreign exchange and derivative financial instruments.

Downstream of the value chain

Downstream stakeholders are the Company's clients, who are the ultimate recipients and users of its services. They primarily include:

- Multinational corporations
- Small and medium-sized enterprises
- High-net-worth clients
- Retail clients

Assessment of Issue Materiality

Process for assessing double materiality of issues

Based on its ongoing communication with stakeholders, and in light of its business layout and industry characteristics, CGS conducts the identification, assessment, prioritization and reporting of material issues. This process is carried out on the basis of research into the policy environment and industry development trends, in accordance with the *SSE Guideline*, with reference to the *A Practical Guide to Sustainability Work of Listed Companies* issued by the China Association for Public Companies, as well as relevant international ESG disclosure requirements.

Process for assessing double materiality of CGS in 2025

Step 1: Understanding the Company's sustainability context

- CGS analyzed the external market environment in which it operates, its business activities and industry characteristics.
- The Company also identified the value chain segments where impacts arise and the key stakeholders affected by each issue.

Step 2: Establishing the issue list and identifying sustainability-related impacts, risks and opportunities

- Taking into account policy trends and industry priorities in 2025, CGS benchmarked against the latest requirements of the *SSE Guideline* and the *Environmental, Social and Governance Reporting Code* issued by the HKEX, referring to the GRI Standards, reviewed the focus areas of ESG rating agencies, and considered key issues disclosed in peer ESG reports. In combination with routine stakeholder communication, CGS identified and screened 22 issues to form the ESG issue list.
- Based on this list, the Company analyzed the actual and potential impacts, risks and opportunities associated with each ESG issue, and promptly identified sustainability-related negative impacts or risks.

Step 3: Double materiality assessment of issues

- **Impact materiality assessment:** CGS designed a survey questionnaire in 2025 and, with input from internal employees, external clients, government and regulatory authorities, other relevant stakeholders, as well as experts, evaluated the 22 issues across two dimensions: the severity of impact, including scale, scope and irremediability, and the likelihood of occurrence, thereby producing the results of the impact materiality assessment.
- **Financial materiality assessment:** Drawing on feedback from internal and external ESG experts, CGS evaluated 22 issues in 2025 based on the likelihood of occurrence and the extent of financial impact, thereby producing the results of the financial materiality assessment.
- **Summary of double materiality results:** CGS calculated and consolidated the outcomes of both dimensions. Taking into account the opinions of internal and external experts, the Company developed an issue materiality matrix.

Step 4: Reporting and management of issues

- Upon review and confirmation by the Board of Directors, CGS provided focused disclosures in this report on issues assessed as having higher materiality in 2025.
- CGS has incorporated highly material issues into its ESG governance and daily operational management framework, clarified management priorities and assigned responsibilities, and enhanced issue management effectiveness through continuous tracking and improvement.

Considerations for issue materiality analysis of CGS in 2025

Level	Definition	Dimensions of materiality analysis	Scoring and threshold
Impact materiality	Whether the Company's performance on a given issue may have actual or potential significant impacts on the economy, society or the environment.	• Likelihood of occurrence • Scale, scope and irremediability of the impact	• Composite score ranging from 0 to 10 • Materiality threshold: 5 points
Financial materiality	Whether an issue is expected to have significant impacts in the short, medium or long term on the Company's business model, operations, development strategy, financial position, operating results, cash flows, financing methods and costs.	• Likelihood of occurrence • Extent of financial impact	• Composite score ranging from 0 to 10 • Materiality threshold: 5 points

Conclusions of issue materiality analysis

In 2025, based on benchmarking against applicable standards, policy analysis and peer comparison, CGS identified and screened 22 ESG issues to form the issue list. Among them, five issues fall under the environmental dimension, ten under the social dimension, and seven under the governance dimension. The detailed list of issues and changes compared with the previous reporting year is presented in the table below.

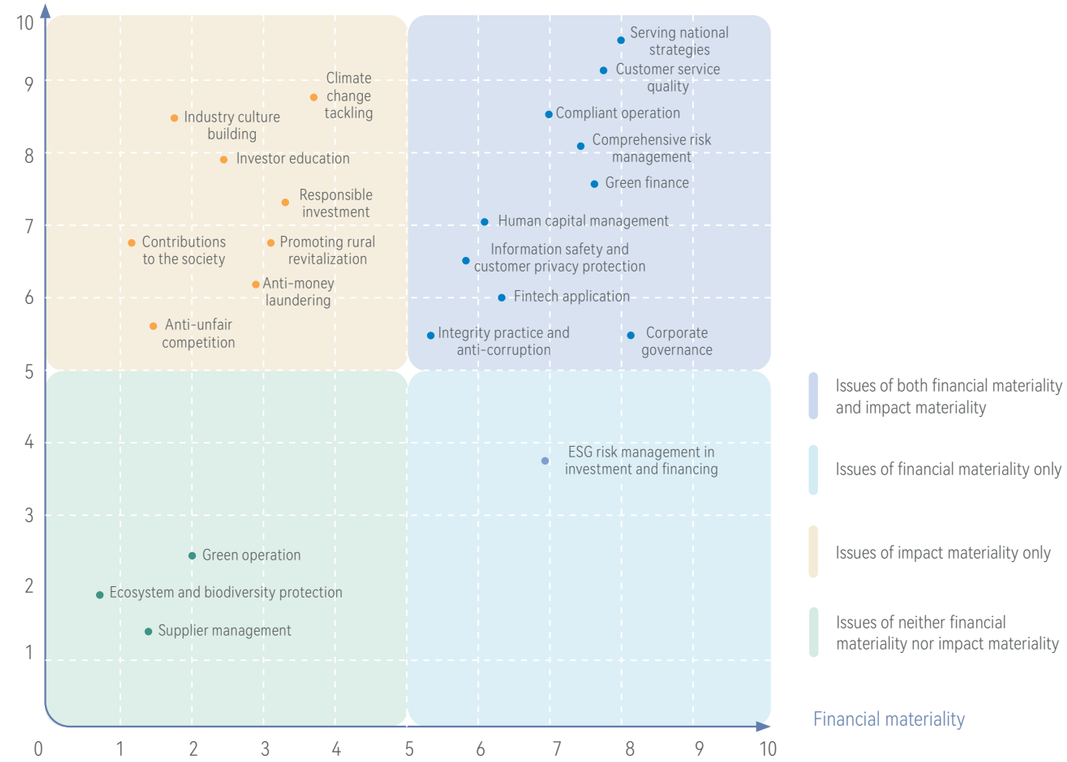


Main changes in the material issues of CGS in 2025

Issues in 2025	Issues in 2024	Change	Reason for change
Human capital management	Employee rights and benefits Employee diversity and inclusion Employee training and development	Combination	Based on the issue definitions set out in the *SSE Guideline* and prevailing domestic and international ESG rating trends, and in light of actual business operations, CGS consolidated certain existing issues to enhance alignment with the issue framework under the *SSE Guideline* and with domestic and international mainstream ESG rating criteria.

Based on the assessment and analysis, among the 22 issues identified and screened by CGS, 10 issues were assessed as having double materiality, 1 issue was assessed as having financial materiality only, 8 issues were assessed as having impact materiality only, and 3 issues were assessed as having neither financial nor impact materiality. For issues assessed as having financial materiality, CGS provides disclosures in accordance with the four-element framework of "Governance – Strategy – Impacts, Risks, and Opportunities Management – Indicators and Targets" set out in the *SSE Guideline*.

CGS's 2025 materiality matrix of issues



Management of financially material issues

CGS conducts in-depth analysis and assessment of risks and opportunities related to ESG issues and implements targeted management measures for issues identified as financially material. Through these efforts, CGS demonstrates its capability to manage ESG-related risks and opportunities and lays a solid foundation for sustainability. This report focuses on the four-element framework of "Governance – Strategy – Impacts, Risk, and Opportunities Management – Indicators and Targets" and provides key disclosures on relevant management measures and actions to ensure transparency and accountability.

Issues with financial materiality	Impacted segment[1]	Corresponding SDGs	Principal risks/opportunities	Time horizon of impacts[2]	Expected financial impacts	Section on management actions
Green finance	Downstream of the value chain Portfolio	7, 13	Market opportunities	Short, medium, and long term	Operating revenue↑ Portfolio value↑	Green finance
			Opportunities related to products and services			
ESG risk management in investment and financing	Downstream of the value chain Portfolio	13	Indirect environmental and climate risk factors transmitted through impacts on issuers of the investment target and counterparties	Medium and long term	Operating revenue↓ Portfolio value↓	ESG risk management in investment and financing
Serving national strategies	Own operations Downstream of the value chain Portfolio	11	Market opportunities	Short, medium, and long term	Operating revenue↑ Portfolio value↑	Feature: Aligning with the 15th Five-Year Plan and advancing toward a leading financial powerhouse
			Opportunities related to products and services			
Customer service quality	Downstream of the value chain	17	Operational risk	Medium and long term	Operating revenue↓	Customer service quality
			Market risk			
			Reputational risk			
Fintech application	Own operations	9	Innovation and data security risks	Short, medium, and long term	Operating costs↑ Operating revenue↓	Fintech application
			Risks related to the application of new technologies and technology ethics	Medium and long term	Compliance costs↑ Operating revenue↓	
			Opportunities to enhance customer experience	Short, medium, and long term	Operating revenue↑	
			Opportunities to empower internal management	Short, medium, and long term	Operating revenue↑ Operating costs↓	
Information safety and customer privacy protection	Own operations Downstream of the value chain	9	Data leakage risk	Medium and long term	Operating revenue↓ Operating costs↑	Information safety and customer privacy protection
			Risk of insufficient personal information protection measures			
Human capital management	Own operations	8	Risk of non-compliant employment management	Medium and long term	Compliance costs↑ Operating costs↑	Human capital management
			Opportunities for diversified talent utilization	Medium and long term	Operating revenue↑	
			Opportunities for upgrading talent capabilities	Medium and long term	Operating revenue↑	
Corporate governance	Own operations	16	Liability risk	Medium and long term	Compliance costs↑	Corporate governance
			Reputational risk		Operating revenue↓	
Compliant operation	Own operations	16	Policy risk	Medium and long term	Compliance costs↑	Compliant operation
			Compliance risk		Compliance costs↑	
			Reputational risk		Operating revenue↓	
			Operational risk		Operating revenue↓	
Comprehensive risk management	Own operations	16	Market risk, credit risk, liquidity risk, compliance and anti-money laundering risk, reputational risk, country and geopolitical risk, concentration risk	Short, medium, and long term	Operating revenue↓ Portfolio value↓ Operating costs↑	Comprehensive risk management
Integrity practice and anti-corruption	Own operations Upstream of the value chain	16, 17	Conflict of interest risk	Medium and long term	Operating revenue↓	Business conduct
			Risk of commercial bribery			

1 Impact area refers to areas of the Company's value chain where material issues have an impact on the economy, society, and the environment, including upstream of the value chain (including suppliers), its own operations, downstream of the value chain (including customers), and its investment portfolio. For specific definitions, please refer to the section "*About Us - Value chain*".

2 The time range of impact is set with reference to the *Corporate Sustainability Disclosure Guidelines - Basic Guidelines (for Trial Implementation)* of the Ministry of Finance and the actual operation of the Company. Short-term: up to 1 year (including) after the end of the reporting period; medium-term: from 1 to 5 years (including) after the end of the reporting period; long-term: more than 5 years after the end of the reporting period.

Due Diligence and Stakeholder Communication

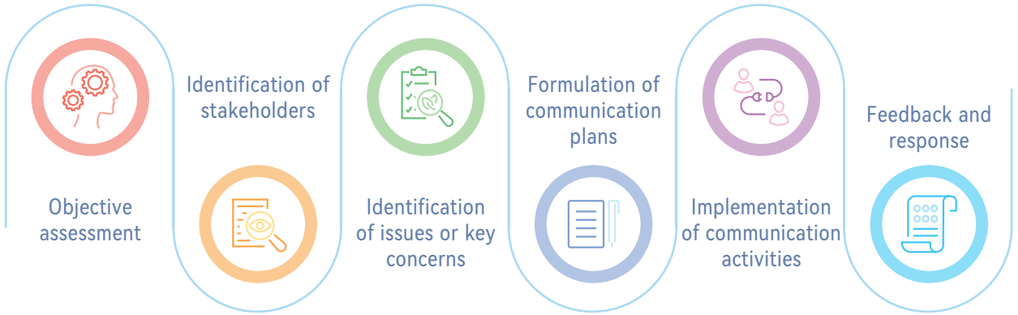
To effectively identify, respond to and prevent various impacts, risks and opportunities arising in daily operations, CGS has established a corporate governance mechanism for sustainability and ESG due diligence. By continuously optimizing control systems embedded in business processes, CGS strengthens its capability to identify and manage negative impacts, risks and opportunities associated with material issues, thereby providing a solid foundation for prudent operations.

The ESG Working Group of the Company regularly conducts due diligence on identified ESG issues through qualitative analysis[3]. CGS evaluates the actual and potential impacts of each ESG issue on the economy, society and environment over the short, medium and long term, as well as the associated risks and opportunities for daily operations and business decision-making. Through this process, CGS promptly identifies, prevents and addresses sustainability-related negative impacts or risks.

Taking into account the characteristics of its business activities and management operations, CGS identifies six key stakeholder groups from two dimensions: those significantly affected by the Company's business activities and those with significant influence on the Company's business activities. These key stakeholders include shareholders and creditors, government authorities and regulators, customers, employees, suppliers, as well as communities and the environment. Through established and ongoing communication mechanisms, CGS understands stakeholders' key concerns and responds to their expectations in a timely manner.

3 The Company also conducts due diligence on the business side and supply chain side. For specific details, please refer to the "*ESG Risk Management in Investment and Financing*" and "*Supplier Management*" of this report.

Stakeholder management approaches of CGS



Communication and response to key stakeholders of CGS

Communication with shareholders and creditors

The Company has established a sound investor relations management framework, continuously standardizing information disclosure and shareholder communication mechanisms to ensure that shareholders and creditors have timely access to operating information. ESG issues of concern to shareholders and creditors include corporate governance, comprehensive risk management, and ESG risk management in investment and financing.

During the reporting period, the Company convened three general meetings of shareholders to engage directly with investors. CGS continues to enhance its investor relations practices by leveraging multiple communication channels, including on-site visits, analyst briefings, the corporate website, investor hotlines, public email accounts, and the "e-Interaction platform of Shanghai Stock Exchange". Regular earnings briefings, ad hoc roadshows and research meetings are also organized to respond promptly to investor concerns and communicate the Company's performance and value.

The Company strictly complies with the laws and regulations of its listing venues to ensure that disclosures are truthful, accurate, complete, timely and fair. CGS enhances voluntary disclosures to further improve transparency.

Communication with government authorities and regulators

The Company has established comprehensive compliance and risk management systems and continues to strengthen communication and information-sharing with government authorities and regulators to ensure lawful, compliant and prudent operations. ESG issues of regulatory focus include compliant operation, comprehensive risk management, integrity practice and anti-corruption, anti-money laundering, green operation, serving national strategies, climate change tackling, green finance and industry culture building.

The Company maintains regular, high-quality engagement with regulators through regulatory inspections, participation in policy research initiatives, periodic information disclosures, regular meetings and special reports. CGS responds promptly to regulatory concerns and provides feedback and recommendations on policy implementation. For major project approvals and policy initiatives, the Company ensures close communication, information symmetry and lawful compliance, adjusting business strategies in accordance with regulatory feedback and obtaining policy guidance and compliance recognition.

Communication with customers

Based on different business segments, the Company has established a comprehensive customer service management system. ESG issues of concern to customers include customer service quality, integrity practice and anti-corruption, information safety and customer privacy protection, fintech application and investor education.

A sound customer complaint handling mechanism is in place, covering case acceptance, verification, solution formulation, communication and coordination, feedback and follow-up. Through continuous engagement and incorporation of customer feedback into service improvement, the Company enhances complaint resolution efficiency and service quality, strengthens customer satisfaction and delivers professional, high-quality and trustworthy service experiences.

The Company actively promotes integrity and ethical conduct among customers through targeted outreach and guidance initiatives. By displaying awareness materials in office premises, distributing informational brochures, organizing the signing of integrity commitment documents, and disseminating messages via online platforms and SMS notifications, the Company continuously reinforces awareness of compliant and ethical practices, fostering a standardized and transparent business environment.

Communicate with employees

Through trade unions, employee representative congresses and structured training systems, the Company maintains ongoing dialogue with employees, gathers their needs and feedback, and optimizes welfare and training arrangements accordingly. This enhances employees' understanding and recognition of corporate strategy and culture while supporting career development and team building.

The Company formulates annual training plans, delivers systematic training programs and organizes regular employee care activities. CGS has also established sound democratic communication channels, soliciting employee opinions on policies and systems related to compensation, benefits, occupational safety, social insurance and other matters directly affecting employees' interests. Clear grievance channels are in place, including establishing the Comprehensive Petition and Whistleblowing Acceptance Platform, which accepts complaints and suggestions related to duties, policy compliance, ethics and personnel management. The Company strictly protects whistleblowers' confidentiality, safeguards employees' legitimate rights and interests, and ensures that communication mechanisms are effectively implemented and continuously improved.

Communication with suppliers

The Company maintains regular communication with suppliers through strategic cooperation exchanges, business discussions and bidding processes. CGS collects feedback on procedures and collaboration and uses such feedback to optimize procurement and partnership processes.

By implementing the *Basic Measures for Procurement Management*, the Company improves its governance framework to ensure open and transparent procurement practices. CGS strictly adheres to the principles of fairness and impartiality, and publicly discloses procurement needs, results and information on cooperative partners via its official website, thereby safeguarding supplier rights and enhancing transparency.

Communication with communities and the environment

The Company has established and improved its social responsibility and environmental management systems, continuously advancing public welfare and green development initiatives while strengthening communication and cooperation with community and environmental stakeholders. Key ESG issues of concern include contributions to the society, promoting rural revitalization, green operation and climate change tackling.

Through charitable initiatives, volunteer services and assistance programs, the Company maintains ongoing engagement with communities, collects their needs and feedback, and integrates such input into project planning and implementation to promote community development. Meanwhile, the Company advances green operations and environmental management, implements energy conservation and emission reduction measures, supports the development of green industries and promotes sustainable development, thereby safeguarding environmental interests.

Strengthening Sustainability Management of CGS

CGS uses ESG as a strategic lever to comprehensively advance sustainability practices. By establishing a top-down governance structure, embedding ESG principles into its core values and business operations, and systematically promoting governance enhancement, transparent disclosure, and rating improvement initiatives, CGS continues to strengthen the systematic and effective management of ESG. The Company is committed to collaborating with stakeholders to create long-term sustainable value.

ESG governance arrangement

CGS integrates ESG principles into its business operations and management framework. The Company has established a top-down ESG governance structure, strengthened cross-departmental resource integration, and reinforced closed-loop execution mechanisms to ensure efficient coordination and precise implementation of ESG management.

The Board of Directors of CGS attaches great importance to ESG management and development. In 2025, the Board reviewed and approved multiple ESG-related proposals and matters concerning corporate governance, information disclosure, risk management, and compliant operations. The Board has fully performed its responsibilities for deliberation, decision-making, and supervision of ESG-related matters, and has conducted corresponding oversight and performance evaluations. Members of the Board have also actively participated in external ESG training programs, including the program titled "Strengthening ESG Governance and Practice to Support High-Quality Corporate Development" organized by The Listed Companies Association of Beijing, continuously enhancing their performance capabilities and ESG governance competence.

ESG governance structure of CGS

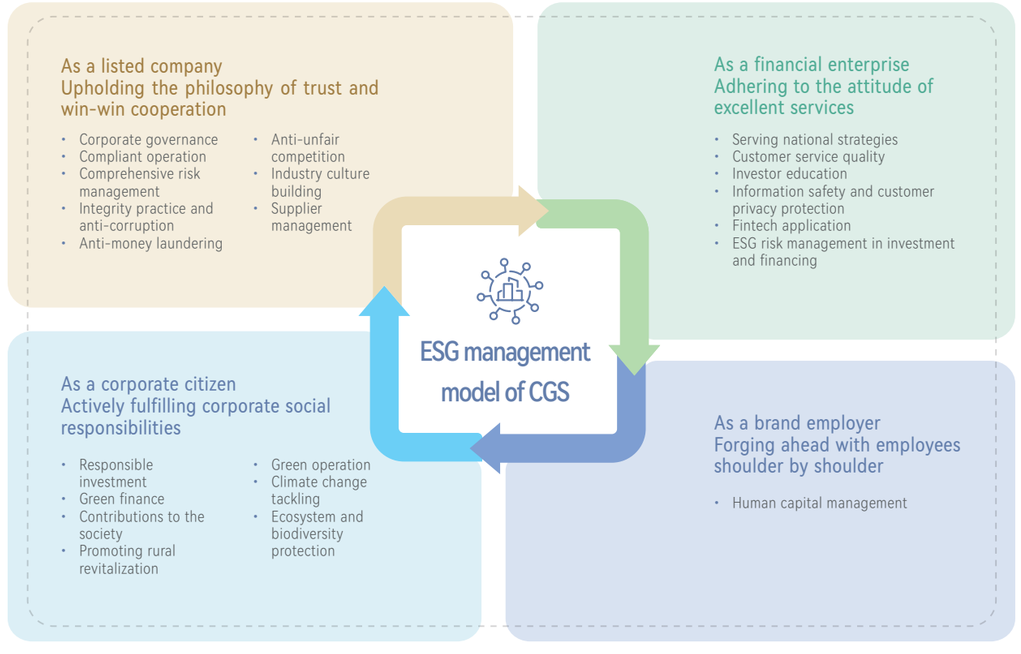
Supervisory level	Board of Directors Specialized committees, including the Strategy and ESG Development Committee	Be responsible for formulating ESG strategies, reviewing ESG-based material issues and major ESG-related matters, and examining and approving annual ESG report.
Management level	Executive Committee ESG Management Committee	Oversee the establishment of ESG vision and objectives, policy formulation, and implementation of initiatives; report regularly to the supervisory level.
Executive level	ESG Working Group	Collect ESG information and lead the preparation of the ESG report; continuously coordinate internal and external communication on ESG-related issues and advance the implementation of the Company's ESG system.

ESG-related responsibilities of specialized committees under the Board of Directors of CGS

Strategy and ESG Development Committee	The Committee oversees the implementation of the Company's ESG strategy and the achievement of ESG targets. The Committee provides advisory support for decision-making, gathers and considers stakeholder feedback, monitors significant ESG risks, and urges the Company to strengthen ESG information disclosure and communication.
Compliance and Risk Management Committee	The Committee reviews and approves the Company's risk and compliance management policies, corporate governance frameworks, and related systems. The Committee guides and supervises the establishment and implementation of relevant systems and evaluates the effectiveness of management's execution of risk and compliance responsibilities.
Nomination and Remuneration Committee	The Committee reviews and provides recommendations on the qualifications, selection procedures, performance evaluation, and remuneration and incentive policies of directors and senior management. The Committee formulates key talent development plans to ensure that the Company's governance structure and management incentive mechanisms remain effective and appropriate.
Audit Committee	The Committee supervises the disclosure of financial information and the internal control system. The Committee reviews connected transactions, compliance, and other corporate governance matters.

ESG management

While creating wealth, CGS actively fulfils our responsibilities as a listed company, financial enterprise, corporate citizen, and brand employer and work with stakeholders, including employees, customers, and suppliers, to create sustainable value.



In 2025, CGS further deepened its ESG management practices. Focusing on governance optimization and capacity building, enhancing ESG information transparency and implementing special actions to improve ESG management, the Company systematically promoted key initiatives. By improving institutional frameworks, reinforcing capacity building, and benchmarking against leading peers, CGS continued to elevate its ESG management standards.

2025 ESG management highlights of CGS

Governance optimization and capacity building

- CGS completed the renaming of the Strategy and ESG Development Committee under the Board of Directors and revised its *Rules of Procedure*. The revised mandate explicitly incorporates the oversight and management of climate-related impacts, risks and opportunities, further strengthening Board-level accountability.
- The Company convened regular meetings of the ESG Working Group to review progress and report outcomes to the ESG Management Committee.
- CGS advanced the enhancement of environmental and climate risk management mechanisms.
- The Company organized dedicated ESG training sessions for Board members, including "Strengthening ESG Governance and Practice to Support High-Quality Corporate Development". These sessions enhanced directors' understanding of evolving regulatory requirements and leading ESG practices, and strengthened their effectiveness in fulfilling governance responsibilities.
- CGI formulated the *ESG Work Plan of CGS International Holdings Limited*, clarifying work objectives and key themes, and systematically enhancing ESG management capabilities.

Enhancing ESG information transparency

- CGS strictly complied with the latest ESG standards and policy requirements of the Shanghai Stock Exchange and HKEX, and disclosed the *2024 Sustainability and ESG Report* in accordance with applicable regulatory frameworks.
- The Company formulated and publicly disclosed on its official website a series of thematic statements, including *Anti-corruption and Integrity Management Statement, Environmental and Climate Risk Management Statement, Privacy and Data Security Management Statement, Responsible Investment Management Statement, Statement on External Voting Rights, and Employee Rights and Benefits Management Statement*, thereby strengthening the management of specific issues and its public commitments.
- CGS guided CGS International in submitting its annual *Communication on Progress* to the United Nations Global Compact (UNGC). The report publicly disclosed CGS International's progress in implementing the Ten Principles of the United Nations Global Compact from July 2024 to June 2025, covering human rights, labour standards, environmental protection, and anti-corruption.

Implementing special actions to improve ESG management

- The Deputy Director of the Company's ESG Management Committee convened a special meeting on ESG management enhancement, advancing related work in a steady manner in accordance with the *Three-Year ESG Management Enhancement Action Plan*.
- Closely benchmarking ESG rating requirements in the capital markets, the Company conducted targeted research on peer institutions with leading ESG ratings, providing valuable insights to enhance its ESG management and practices.
- The Company formulated the *2026 ESG Management Key Work Plan*, driving a fundamental transformation in ESG management, from compliance-driven practices to strategic leadership and value creation.

In addition, CGS has linked ESG performance with remuneration. The Company incorporated ESG-related indicators, such as integrity practice, compliant and honest professional conduct, and the implementation of industry and corporate cultural values, into performance evaluations for management and employees, thereby aligning remuneration with ESG performance outcomes.

ESG Management Achievements 2025



China Association for Public Companies

Best Sustainability Practice Cases of Listed Companies in 2025



10jqka.com.cn

ESG Best Practice Institution; Outstanding ESG Research Institution



Securities Times and New Fortune Magazine

2025 Institution with Outstanding Contribution to Sustainability Research

Hang Seng Indexes Company Limited

A constituent stock of the "Hang Seng Corporate Sustainability Index Series"

MSCI

"BBB" grade in the MSCI ESG rating

China Securities Index Co., Ltd.

"BBB" grade in the CSI ESG rating

Wind Information Co., Ltd.

"A" grade in the Wind ESG rating

Sino-Securities Index Information Service (Shanghai) Co., Ltd.

"AA" grade in the Sino-Securities Index ESG rating

SynTao Green Finance

"A-" grade in the SynTao Green Finance ESG rating

The honor results are counted as of the end of the reporting period

For more awards and recognitions related to the Company's sustainability management, please refer to the relevant sections under each material issue in this report.

01

Crafting a Vibrant Green Narrative to Accelerate CGS Actions



Corresponding UN Sustainable Development Goals

CGS actively practices the philosophy of green development and fully aligns with the national strategy of carbon peaking and carbon neutrality. At the business level, CGS continuously advances innovation in green finance and embeds ESG risk management into investment and financing decision-making processes, guiding capital toward low-carbon sectors. At the operational level, the Company comprehensively implements green office initiatives and low-carbon operations strategies. Through these efforts, CGS fulfills its environmental responsibilities and contributes financial strength to the green transformation of the economy and society.

Responding to the issues of

- Climate change tackling
- Green finance
- ESG risk management in investment and financing
- Green operation

Per capita greenhouse gas emissions:

1.25 tonnes of CO_2 equivalent per person

Total issuance scale of green bonds (including asset-backed securities) and low-carbon transition bonds exceeded

RMB **234.3** billion

Approximately **1.8** million sheets of paper saved through the Office Automation system

Climate change tackling

In the face of the escalating global climate crisis, the low-carbon transition has become a defining direction for economic and social development worldwide. CGS recognizes that climate change tackling is not only an inherent requirement for fulfilling corporate social responsibility and advancing ecological civilization, but also a critical driver for upgrading financial services and achieving the Company's long-term, stable development.

CGS actively responds to the national strategy of carbon peaking and carbon neutrality and relevant policy deployments on climate change tackling. In accordance with the disclosure requirements of HKEX and the Shanghai Stock Exchange on climate-related matters, and with reference to the *International Financial Reporting Sustainability Disclosure Standard No. 2 — Climate-related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB), as well as *Guide No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Preparation of Sustainability Report, No. 2 Climate Change Tackling*, the Company has established a climate management framework structured around "Governance – Strategy – Impacts, Risks, and Opportunities Management – Indicators and Targets". Under this framework, CGS systematically advances climate-related risk and opportunity management across both operational and business activities.

Governance

The Company attaches great importance to the development of an environmental and climate governance framework. CGS has formulated and issued the *Measures for Environmental and Climate Risk Management* and established a three-level effective management structure comprising supervision, management, and execution.

Environmental and climate-related governance structure of CGS

Supervisory level	Board of Directors Strategy and ESG Development Committee	• The Board of Directors and the Strategy and ESG Development Committee are responsible for the overall oversight of climate risks. They assume supervisory and management responsibilities for climate-related risks and opportunities. The Board of Directors is accountable for ESG performance in financing and investment activities. • The Board of Directors and the Strategy and ESG Development Committee are regularly informed of the Company's climate-related risks and opportunities. This includes, but is not limited to, reviewing climate risk reports, conducting environmental trend analysis, and seeking external professional advice. The Board conducts at least an annual review of climate-related information to understand the evolution of climate risks and opportunities across different time horizons. • CGS regularly provides ESG training to members of the Board of Directors and the Strategy and ESG Development Committee, covering core issues such as climate change tackling, to enhance their professional competence in overseeing climate-related risks.
Management level	Special meeting for the President	• The Special meeting for the President establishes and continuously improves institutional frameworks and procedures for environmental and climate risk management. • The Special meeting for the President ensures effective internal communication, dissemination, and implementation of environmental and climate risk appetite and limits. The Special meeting for the President fosters organization-wide awareness of environmental and climate risk prevention and formulates and oversees the implementation of relevant training programs.
Executive level	Risk Management Headquarters	• The Risk Management Headquarters takes the lead in establishing and improving the Company's environmental and climate risk management system and formulates relevant management policies. • The Risk Management Headquarters supports and coordinates relevant units in managing environmental and climate risks during business operations. • The Risk Management Headquarters leads the organization of company-wide environmental and climate risk stress testing. • The Risk Management Headquarters identifies, assesses, monitors, and reports environmental and climate risks across individual business lines and at the overall Company level.
	Research Institute	• The Research Institute provides research support on key, emerging, and complex issues in environmental and climate risk management within the industry, based on ESG-related research.
	Office	• The Office provides recommendations on environmental and climate risk management in alignment with the Company's sustainability planning, ESG information disclosure, and management enhancement initiatives.
	Business departments and subsidiaries	• Business departments and subsidiaries are responsible for the development and issuance of green finance products and carbon finance products. • Business departments and subsidiaries implement risk control measures and incorporate environmental and climate risk factors into decision-making processes during business development.
	Legal and Compliance Headquarters, Audit Headquarters, and other functional departments	• The Legal and Compliance Headquarters, the Audit Headquarters, and other functional departments provide safeguards and support for environmental and climate risk management within the scope of their respective responsibilities.

Strategy

Based on its business positioning and operational characteristics, CGS assesses the materiality of climate change-related risks and opportunities from dimensions such as likelihood of occurrence and magnitude of impact, with reference to external expert opinions. The Company has identified two major climate-related risks and two major climate-related opportunities. On this basis, CGS has formulated corresponding climate strategies and action plans to proactively address identified risks and capture emerging opportunities.

Analysis of major environmental and climate-related risks and opportunities of CGS

	Climate-related risk	
	Policy and legal risk	Technical risk
Description	Adjustments to environmental protection policies have limited direct impact on CGS's own operations, but may negatively affect certain industries within the Company's investment portfolio, particularly high-energy-consuming and high-emission sectors. CGS may therefore face increased portfolio management pressure and needs to prudently manage investment risks.	During the transition toward low-carbon technologies, breakthroughs in renewable energy and other energy-saving and environmental protection technologies may gradually replace traditional energy and production technologies. Clients or investees that fail to update technologies in a timely manner may experience weakened debt servicing capacity and declining market valuations.
Time horizon	Medium and long term	Medium and long term
Impact on business model and value chain	Value chain upstream technology suppliers and operations: As environmental policies become more stringent, CGS's reliance on environmental and climate-related data, models, and analytical support continues to increase. Upstream technology and professional service providers play an increasingly important role in supporting investment management and risk control. At the same time, low-carbon office operations and resource efficiency management face policy constraints and cost pressures, raising higher requirements for daily operations and management models. Business activities: Stronger constraints on traditional high-energy-consuming, high-emission, and overcapacity industries may reduce the number of clients and business scale in these sectors.	Business activities: In investment and investment banking businesses, if client companies or investees fail to keep pace with green technological transformation, such as the adoption of new energy applications or energy-saving technologies, their solvency, valuation, and financing capacity may be adversely affected. This may in turn impact CGS's investment judgments, investment returns, and underwriting business expansion.
Impact on strategy and decision-making	• CGS continues to advance green office practices, energy conservation, and green procurement management, and gradually improves carbon emissions accounting and management mechanisms at the operational level. • The Company continuously optimizes its investment and financing structure and gradually reduces exposure to high-carbon and high-emission industries. • CGS strengthens ESG research, investment research, and advisory capabilities, and enhances environmental and climate risk identification and management throughout project screening, due diligence, and ongoing management to improve overall portfolio resilience.	• CGS accelerates the development of an industry research and investment research system oriented toward low-carbon transition, with enhanced coverage of new energy, energy conservation, environmental protection, and related technologies. • The Company places greater emphasis on technological iteration capability and transition pathways in investment decisions and client selection, and dynamically adjusts portfolio allocation to mitigate risks arising from technological substitution.
Current financial impact	• Increased operating costs, including expenditures on databases, consulting services, and climate stress testing. • Operating revenue and portfolio value fluctuated	• During the reporting period, technology risk did not materially affect the Company's business operations and had a limited financial impact.
Expected financial impacts	• Continued increase in operating costs due to compliance and low-carbon investments. • Decrease in operating revenue. • Decline in portfolio value.	• If technology risk intensifies, financing demand in traditional industries may contract, potentially leading to reduced operating revenue and a decline in portfolio value. • Decline in portfolio value.

Climate-related opportunity

	Market opportunities	Opportunities related to products and services
Description	Under a low-carbon economic context, climate-friendly products and enterprises are increasingly favored by the market. The market valuation of related investment targets of CGS may therefore increase.	Under the guidance of national green finance development strategies, CGS may pioneers green finance products and services in line with market trends to meet growing investor demand for green finance.
Time horizon	Short, medium, and long term	Short, medium, and long term
Impact on business model and value chain	Business activities: Demand for green finance products, green bonds, and ESG funds has grown rapidly. For wealth management, investor allocation preferences are shifting toward low-carbon assets.	Business activities: CGS develops green bonds, carbon finance derivatives, and green asset-backed securities, provides green investment and financing advisory services to corporate clients, expands investment banking business, and enriches the supply of green wealth management products to meet investor demand.
Impact on strategy and decision-making	• CGS proactively adjusts asset allocation and product layout to increase research coverage and allocation of climate-friendly enterprises and low-carbon assets. • The Company strengthens green investment philosophy and guides investors to allocate low-carbon assets appropriately, thereby enhancing overall returns and market competitiveness.	• CGS continuously improves its green finance product and service system and establishes stable supply capabilities in green bonds, carbon finance, and ESG-related businesses. • Through enhanced internal coordination and professional capacity building, the Company promotes the scaled development of green finance business and gradually forms differentiated competitive advantages.
Current financial impact	• Expansion into carbon finance markets may increase operating revenue. • Portfolio value may increase.	• Expansion of green finance and ESG-related services increases operating revenue. During the reporting period, CGS provided ESG advisory services to listed companies and generated revenue of RMB1.5 million.
Expected financial impacts	• Continued expansion of carbon finance markets may increase operating revenue. • Portfolio value may increase.	• Continued development of green finance products and services may increase operating revenue. • Portfolio value may increase.

Major measures for climate change of CGS

Operations:

- CGS continuously advances green and low-carbon operations and optimizes office energy consumption management to reduce greenhouse gas emissions from its own operations. The Company improves greenhouse gas emissions accounting and explores the formulation of quantified energy conservation and emission reduction targets, as detailed in the section "*Green operation*" of this report.

Business activities:

- CGS continuously increases financial support for green industries, low-carbon transition enterprises, and climate-friendly projects. The Company focuses on developing green bonds, low-carbon transition bonds, and green asset-backed securities, guiding capital toward energy conservation and environmental protection, new energy, and clean energy sectors, as detailed in the section "*Green finance*" of this report.
- CGS strengthens pre-investment risk identification and post-investment ongoing management of high-carbon investment and financing entities through risk early-warning tools and negative list management mechanisms, as detailed in the section "*ESG risk management in investment and financing*" of this report.
- CGI has established a Carbon Peaking and Carbon Neutrality Innovation Center to explore services such as climate investment and financing advisory, carbon asset development and trading support, and carbon finance product innovation. CGI aims to cultivate new growth drivers in low-carbon business, enhance comprehensive climate investment and financing service capabilities, and support clients in achieving carbon neutrality goals. In 2025, the operating cost of the Carbon Peaking and Carbon Neutrality Innovation Center totaled over HKD 3 million.

CGS continues to monitor the potential impacts of climate change on its operations and financial businesses in light of industry characteristics and its own operational realities. The Company conducts a preliminary assessment of climate-related risks and opportunities at the overall level and determines that, given the current management capabilities and business structure, climate change has not materially adversely affected its strategy or business model.

The Company attaches great importance to the management of climate-related risks and opportunities. CGS continues to allocate necessary resources to establish and improve its climate risk management system. Taking into account its operational characteristics and financial business profile, the Company steadily advances the planning and implementation of climate risk management initiatives. During the reporting period, CGS promoted related efforts for climate scenario analysis and climate transition risk stress testing in response to the potential impact of climate change on business development. These efforts have laid a methodological and data foundation for subsequent systematic assessments of the impact of climate risks on business development and overall risk conditions.

Key elements of climate risk stress testing work plan of CGS

Assessment scope

CGS focuses on key business areas and industries with relatively high exposure to climate risks, including eight high-carbon industries such as coal-fired power, steel, and cement.

Scenario setting

CGS adopts publicly available scenarios from the Network for Greening the Financial System (NGFS) and incorporates China's "2030·2060" carbon peaking and carbon neutrality targets and relevant industry policy requirements.

Methodological framework

CGS refers to the climate stress transmission model framework proposed by the United Nations Environment Programme Finance Initiative (UNEP-FI).

Analytical approach

Under different climate scenarios, CGS considers changes on both the supply and demand sides of enterprises and gradually transmits key climate factors, such as carbon emission allowance prices, to core financial indicators, including costs and revenues.

Assessment logic

CGS applies a bottom-up approach to quantitatively assess the extent to which climate risk factors affect the Company's overall risk indicators and operating performance.



Impacts, Risks, and Opportunities Management

The Company closely monitors developments in industry risk management practices and tracks climate risk management requirements issued by domestic and overseas regulators. The Company conducts in-depth research and benchmarking in the field of climate risk management, drawing on advanced practices of peer financial institutions to accelerate the establishment of relevant climate risk management mechanisms.

The Company incorporates climate risks into overall business considerations and risk management processes. Under its unified enterprise-wide risk management framework, CGS conducts identification, assessment, analysis and management of climate-related risks and opportunities in an integrated manner.

Process of environment and climate-related risk and opportunity management of CGS

Identification

- CGS identifies and assesses environmental and climate-related risks associated with issuers, counterparties and other market participants in its investment portfolio, as well as risks arising from its own operations, with reference to the climate-related disclosure framework developed by the International Sustainability Standards Board (ISSB).

Assessment

- CGS evaluates environmental and climate-related risks that may have a significant impact on its operations and financial businesses, taking into account dimensions such as the likelihood of occurrence and the severity of impact. The Company analyzes the potential implications of these risks for its operational activities and business development.

Prioritization

- CGS analyzes the probability and potential impact of identified risks and opportunities, and determines their relative priority to support resource allocation and management focus.

Management

- CGS strengthens pre-investment risk identification and post-investment ongoing management of high-carbon investment and financing entities through risk early-warning tools and negative list management mechanisms, as detailed in the section "*ESG risk management in investment and financing*" of this Report.
- CGS actively aligns with national green finance development strategies, increases resource allocation, and continuously promotes innovation in related products and service models, as detailed in the section "*Green finance*" of this report.
- The Company deepens internal climate awareness and implements green operation, as detailed in the section "*Green operation*" of this report.
- Based on practical management needs, CGS conducts regular or ad hoc environmental and climate risk stress tests. The Company clarifies stress testing methodologies, procedural arrangements, supporting safeguards, validation and evaluation processes, and application of results. Under specific environmental and climate stress scenarios, CGS analyzes risk transmission pathways, estimates potential losses to assets and businesses, and formulates targeted control and mitigation measures.

Indicators and Targets

To further strengthen climate change tackling and management and enhance the effectiveness of related initiatives, CGS regularly collects and analyzes data on greenhouse gas (GHG) emissions and other relevant indicators. The Company has established the goal of "maintaining per capita GHG emissions at a relatively low level", thereby minimizing emissions generated from its operations to the greatest extent possible.

Indicators and targets for climate change tackling of CGS

Target: CGS aims to maintain per capita greenhouse gas emissions at a relatively low level

Indicator used for target setting	Per capita total greenhouse gas emissions (Scope 1 and Scope 2)
Purpose of target setting	To mitigate climate change, proactively align with China's carbon peaking and carbon neutrality strategy, and support the achievement of national carbon peaking and carbon neutrality goals
Organizational boundary	Applicable to entities within the Company's consolidated financial statement scope
Target type and content	Qualitative target: to maintain per capita total greenhouse gas emissions at a relatively low level
Progress during the reporting year	Achieved
Methodology and process for setting and reviewing the target	The ESG Working Group conducts annual calculations of the Company's greenhouse gas emissions. The results are reviewed by relevant departments and submitted to management for deliberation and confirmation.
Methods for monitoring the progress of target achievement	CGS regularly collects and consolidates data on energy consumption and other emission sources from various departments. Based on annual carbon accounting results, the Company performs year-on-year comparative analysis to monitor progress against the target.
Indicators for monitoring the progress of target achievement	Per capita total greenhouse gas emissions, total greenhouse gas emissions, and total number of employees
Business performance trends/ changes analysis	During the reporting period, per capita total greenhouse gas emissions remained at a relatively low level, reflecting the Company's continued effectiveness and stability in low-carbon operations.

Total per capita GHG emissions (Scope 1 and Scope 2) of CGS in the past three years

Indicator	Unit	2023	2024	2025
Total per capita GHG emissions (Scope 1 and Scope 2)	tonne of CO_2 equivalent/person	1.50	1.20	1.25

In addition, CGS has established green finance-related indicators and management targets at the business level, such as the underwriting amount and number of green bonds. Through these measures, the Company supports financing and investment for low-carbon enterprises, guides capital toward green industries, and promotes a coordinated climate action framework across both operational and business dimensions. Further details are provided in the section "*Green finance*" of this report.

Green finance

Governance

CGS has established a Task Force for Serving National Strategies, which identifies green finance as a key priority in supporting national strategic objectives and China's carbon peaking and carbon neutrality goals. By actively guiding capital toward low-carbon and environmentally friendly projects, CGS contributes expertise and financial strength to ecological civilization development, green economic transformation, and global sustainable development.

Strategy

Against the global backdrop of climate change tackling and accelerating green and low-carbon transition, green finance has become an important instrument for optimizing resource allocation and supporting the sustainable development of the real economy. CGS actively captures this trend by strengthening synergies between its investment banking and investment businesses, as well as coordination between domestic and overseas markets. The Company is committed to building a comprehensive green finance service system with CGS characteristics, facilitating financing and development of green projects, enhancing its competitiveness and influence in international green finance markets, and injecting financial momentum into high-quality and sustainable economic and social development.

Opportunities and response strategies for green finance of CGS

Main opportunity type	Time horizon of impacts	Expected financial impacts	Response strategies
Market opportunities Opportunities related to products and services	Short, medium, and long term	Operating revenue ↑ Portfolio value ↑	CGS improves its green finance service system, vigorously develops green bonds, green asset-backed securities, and green industry funds, optimizes ESG investment services, and actively participates in carbon market development to support the achievement of carbon peaking and carbon neutrality goals.

Impacts, Risks, and Opportunities Management

Focusing on green investment and financing, green research, and carbon finance, CGS promotes the coordinated development of its green finance business and continuously deepens innovation in business models. Leveraging its professional financial expertise, the Company supports green and low-carbon development.

Green investment and financing

CGS has strategically expanded into green and low-carbon industries and developed diversified green investment and financing services to facilitate the transition toward a greener economy. CGI has implemented the Green Investment Principles (GIP) for the Belt and Road since becoming a signatory. In both its investment and operational activities, CGI consistently adheres to the GIP, leverages its advantages in overseas markets, and actively promotes the greening of Belt and Road investments. CGI responds annually to the GIP signatory survey questionnaire and discloses progress in implementing the Principles.

2025

CGS issued green bonds (including asset-backed securities) and low-carbon transition bonds with a total issuance scale exceeding **234.3** billion

The Company underwrote **35** issuers with a total underwriting amount exceeding **17.8** billion

Case The Company supported an environmental protection equipment enterprise in achieving dual listings

The Company acted as the lead securities firm in assisting ContiOcean Environment Tech Group Co., Ltd. (ContiOcean) in successfully listing on the National Equities Exchange and Quotations in February 2024. Building on its integrated domestic and overseas investment banking platform, the Company further supported ContiOcean in completing its Hong Kong listing in 2025. ContiOcean became the first stock of "NEEQ + H-share" in 2025 and the first stock of "Shipping ESG" in the Hong Kong stock market.

Through facilitating the "NEEQ + H-share" dual listing, ContiOcean enabled a domestic marine environmental protection equipment enterprise to access international capital markets, enhance its core competitiveness, and support the green transformation of the shipping industry.

Case Galaxy Jinhui supported the development of a new energy enterprise

In 2025, an asset management plan (Huirong No. 227) established by Galaxy Jinhui provided RMB150 million in financing to a shareholder of a listed green enterprise through a stock pledge-style repo transaction. The funds were used to support the daily operations of a new energy enterprise in Guizhou Province.

By providing this financing solution, Galaxy Jinhui enhanced corporate liquidity, broadened shareholder financing channels, supported green enterprises in less-developed regions, and contributed to the high-quality development of the new energy sector.

Case CGI jointly launched the CGT-ESG bond portfolio

In May 2025, CGI, together with China International Capital Corporation (International) Limited, launched the "CGT-ESG Bond Portfolio" based on the *Common Ground Taxonomy* (CGT) and the parties' respective ESG evaluation systems. The portfolio represents the first application in Hong Kong of a dual-screening methodology combining the CGT framework and an ESG rating system. With an initial scale of USD4 million, the portfolio invests in renewable energy, clean transportation, and green building projects, and is expected to reduce carbon emissions by approximately 403,200 tonnes of CO_2 equivalent annually.

Through this initiative, the Company enhanced the liquidity of offshore green bonds, promoted alignment between Chinese green bonds and international sustainable finance standards, and received multiple industry awards.

- Recognized as one of the "Top 10 Sustainable Development Practices" at the 4th Xinhua Credit Jinlan Cup
- Awarded the "2025 For Good Awards: ESG Impact Investment Best Practice TOP10"
- Recognized at the 2nd Xinhua Credit Pearl Cup for Climate Change Tackling Project Practice for its innovative climate investment and financing project
- Received the "Cross-border Finance and Financial Innovation Service Excellence Award" from the Chinese Financial Association of Hong Kong
- Received the 2025 Guangdong-Hong Kong-Macao Greater Bay Area Green Finance Alliance Excellent Case "Excellence Award"
- Received the 2025 "Golden Key – Outstanding Solution" award

ESG research

As one of the earliest securities firms in China to advance ESG and dual carbon research, the Company continues to promote the systematic development of its ESG research framework. Leveraging its Research Institute, the Company has established an ESG sell-side research team and the International ESG Research Center under the New Development Research Institute, forming a diversified research matrix across multiple focus areas. In addition, the Company has set up the Innovation Center for Carbon Peaking and Carbon Neutrality (ICN) and the ASEAN Institute for Carbon Neutrality (AICN) in Hong Kong, China and Singapore, further integrating and optimizing research resources. These efforts promote a more systematic and in-depth approach to ESG research, providing solid theoretical support and practical guidance for the development of sustainable finance.

In 2025, CGS further strengthened ESG research and practice through research output, comprehensive service expansion, and ecosystem co-development, enhancing its professional capabilities and industry influence in ESG and supporting the green and low-carbon transition of financial institutions and real economy enterprises.

Key ESG research initiatives of CGS in 2025

Publishing ESG research reports

- The Company participated in drafting and publishing representative reports such as *Zero-Carbon Industrial Parks Enter a Construction Boom: How Can the Financial System Provide Targeted Support?* , *Guidelines for Information Disclosure of ESG Investment Products,* and *Green and Low-Carbon Transition Pathways and Practices for Data Centers under AI Development Trends*, providing professional references for financial institutions and real economy enterprises advancing green and low-carbon development.
- The Company participated in drafting and publishing ESG-related research achievements, including *General Principles of Environmental, Social and Governance Evaluation, Guidelines for ESG Investment Product Information Disclosure*, and *General Guidelines for Environmental, Social and Governance (ESG) Information Disclosure of Mining Enterprises*, supporting capital market participants in identifying and responding to sustainability-related risks.
- As a core participant, CGI played an active role in the preparation and publication of the *Qianhai Enterprises' Handbook for Issuing Green Bonds in Hong Kong*.
- The ASEAN Institute for Carbon Neutrality under CGS International released three research reports, including *The Role of Carbon Credits in ASEAN's Energy Transition*.

Promoting ESG ecosystem co-development

- At the invitation of the Guizhou Provincial People's Government, the Company hosted the "SDGs Ten-Year Review and Outlook" forum and released the *Global Sustainable Development Investment Index Report*. The report innovatively established an evaluation framework covering environmental, social, governance, and economic quality dimensions. It covered 33 countries (including G20 members and 13 emerging markets) and, based on 15 tertiary indicators and 28 quaternary indicators, presented global sustainable investment trends through both time-series analysis and country rankings.



- The Company's Chief ESG Analyst was invited to deliver a lecture on "ESG Investment and Sustainable Finance" at a high-level accounting talent training program in sustainable finance organized by the Beijing Municipal Finance Bureau.
- By hosting the "Green Finance Ecosystem Conference" and participating in the "Sustainability Global Leaders Conference", the Company actively built exchange and cooperation platforms for green finance and sustainable development, promoting coordinated ESG practices among financial institutions, industry participants, and other stakeholders.



Expanding ESG Influence

- The Company was recognized as a 2025 Institution with Outstanding Contribution to Sustainability Research by New Fortune
- 2nd place in ESG research by Wind Gold Analyst
- Outstanding ESG Research Institution and Best ESG Practice Institution by iFinD

Case

The Company built the CGS ESG rating system

The Company, in collaboration with the China International Council for the Promotion of Multinational Corporations (CICPMC), leveraged over a decade of investment research and ESG study to develop and validate the CGS-CICPMC ESG rating system over the course of more than a year. The system aims to be standardized, localized, differentiated, and dynamic, forming a full-chain practical framework covering indicator construction, data collection, assessment and analysis, and application of results. It is deeply aligned with local policy directions, industry characteristics, and multi-scenario needs, setting a benchmark for standardization within the industry, filling the gap in the localization of international ESG standards, and providing scientific support for investment decision-making.

By the end of 2025, ESG strategy indices built on this system had generated excess returns of 52 and 92 basis points, respectively.

Case

The Company facilitated high-level dialogue platforms on sustainability and green finance

In 2025, the Company actively participated in and hosted a series of high-level industry conferences, continuously promoting in-depth exchanges and resource alignment in the fields of sustainable development and green finance.

In October, the Chairman of the Company, Wang Sheng, attended the "2025 Global Sustainable Leaders Conference" held in Shanghai. Focusing on topics such as green finance, low-carbon transition, and climate change response, he engaged in dialogues with various domestic and international institutions, jointly promoting the effective allocation of financial resources to green industries.

In November, as one of the organizers, the Company hosted the "2025 Green Finance Ecosystem Conference" in Chongqing. The conference, themed "Green Transition and Biodiversity Finance Empowering a Beautiful China," focused on the synergy among capital, ecology, and industry. President Xue Jun delivered a keynote speech, stating that the Company would support the green transformation of real economy enterprises and biodiversity conservation through green finance, and work collaboratively to address climate change.

Through leading and participating in the above high-level dialogues, the Company has further enhanced its research leadership, practical execution, and ecosystem co-building capabilities in the fields of sustainable development and green finance, and effectively integrated ESG principles into the entire process of its business operations.





Carbon finance

Since 2022, CGS has proactively expanded into carbon finance. The Company established a Carbon Peaking and Carbon Neutrality Innovation Center under CGI to explore climate investment and financing advisory services, carbon asset development and trading support, and carbon finance product innovation. CGS has also obtained approval from the China Securities Regulatory Commission to participate in carbon emission allowance trading as a proprietary trader on domestic compliant exchanges. In 2025, the Company formulated the *Implementation Rules for the Management of Carbon Emission Allowance Investment Business*, further strengthening the management foundation of its carbon finance business. Through continuous innovation in financial products and service models, CGS has promoted the steady development of carbon finance activities and achieved positive progress.

Case

The Company completed its first Shanghai carbon emission allowance (SHEA) transaction

In 2025, the Company successfully completed its first Shanghai carbon emission allowance (SHEA) transaction on the Shanghai Environment and Energy Exchange. This marked the Company's first executed transaction since obtaining qualification for domestic carbon emission trading and signified its formal participation in the national carbon market. Through this transaction, the Company actively contributed to enhancing carbon market liquidity and supported the development of China's carbon market through concrete action.

Case

CGI strengthened external institutions' carbon finance capabilities

In July 2025, the head of the Carbon Peaking and Carbon Neutrality Innovation Center of CGI was invited to deliver a training session for the Hong Kong Productivity Council on the topic "Analysis of Voluntary Carbon Markets and China CCER Standards". The training covered an overview of global voluntary carbon markets and related standards, the evolution and latest developments of China's CCER standards, and the challenges and opportunities facing China's carbon market. The program provided participating institutions with systematic knowledge and practical guidance on carbon markets. This initiative enhanced professional understanding and practical capabilities in carbon finance among participating institutions, facilitated alignment of carbon market rules and capacity building in the Guangdong-Hong Kong-Macao Greater Bay Area, and contributed intellectual support to regional green finance collaboration and carbon neutrality objectives.

Indicators and Targets

The Company formulated the *2025 Work Plan for Serving National Strategies*, identifying green finance as a key priority. The plan sets out annual green finance objectives, integrates diversified green financial products and services, and aims to develop a comprehensive green finance service model with CGS characteristics.

Green finance indicators and targets of CGS in 2025

Target	Support equity financing for green enterprises, increase underwriting and reserve of green bonds, and facilitate green and low-carbon transformation.	Continuously strengthen green bond investment and participate in carbon emission trading.	Closely follow the Guangzhou Futures Exchange "Assist Green Finance, Promote Innovation" industrial service plan, promoting combined spot and futures business for green enterprises such as industrial silicon.	Leverage expertise in carbon peaking and carbon neutrality and Hong Kong's regional advantages to help green enterprises broaden financing channels.
Achievements in 2025	In 2025, CGS's Investment Banking Committee completed financing for green enterprise stock and bond projects totaling RMB19.592 billion. The Company also supported mergers and acquisitions of related enterprises,with transaction amounts reaching RMB18.667 billion.	In June 2025, CGS successfully completed its first Shanghai carbon emission allowance (SHEA) transaction on the Shanghai Environment and Energy Exchange, marking a new progress in the Company's green finance services. Through its "Investment Banking + Investment + Market-Making" approach, the Company supported Agricultural Bank of China in achieving the largest single-issuance record for domestic green financial bonds and assisted Industrial and Commercial Bank of China in issuing the market's first floating-rate green financial bond by a commercial bank.	Focusing on the development needs of green real-economy enterprises, CGS actively promoted the return of futures and spot trading on the Guangzhou Futures Exchange. In 2025, Galaxy Derivatives participated in the delivery of 86,600 tonnes of industrial silicon, with cumulative trading with industrial clients reaching RMB595 million, up 379% year on year.	CGS sponsored the Hong Kong listing of ContiOcean, becoming the first ESG shipping stock on the Hong Kong market. The Company also conducted six carbon finance advisory projects in 2025.

ESG risk management in investment and financing

Governance

In its investment and financing activities, CGS is primarily exposed to ESG risks in the areas of environment and climate. The Company has formulated the *Measures for Environmental and Climate Risk Management*, incorporating environmental and climate risks into its business decision-making and risk management processes. Relying on its environmental and climate governance framework (see the section "*Climate change tackling*" of this report), CGS promotes the effective implementation of relevant measures, continuously enhances the resilience and sustainability of its investment and financing activities, and provides clients with higher-quality comprehensive financial services.

Strategy

Adhering to the principles of materiality, forward-looking assessment, and prudence, CGS has established an ESG risk management system for investment and financing that is commensurate with its risk exposure scale. The Company systematically identifies the medium - and long-term impacts of environmental and climate risks on issuers, counterparties, and investment portfolios, and implements differentiated management and control measures to safeguard stable and high-quality business development.

Major ESG risks in investment and financing and corresponding strategies of CGS

Major risk type	Time horizon of impacts	Expected financial impacts	Response strategies
Indirect environmental and climate risk factors transmitted through impacts on issuers of the investment target and counterparties	Medium and long term	Operating revenue ↓ Portfolio value ↓	• CGS establishes an environmental and climate risk management system that is aligned with its business scale, nature, and complexity. • The Company differentiates the degree of environmental and climate risk exposure across various business types and assets based on factors such as business characteristics, industry attributes, and counterparty profiles, and implements targeted management strategies accordingly.



Impacts, Risks, and Opportunities Management

The Company has established an ESG risk management mechanism for investment and financing that covers proprietary trading, investment banking, financing-related businesses, and margin and securities lending activities. CGS embeds environmental and climate risk considerations throughout all business processes, forming a closed-loop management system encompassing risk identification, assessment, monitoring, and response, thereby ensuring that ESG risks across all business segments are systematically and effectively controlled.

ESG risk management mechanism for investment and financing of CGS

Risk identification

- CGS identifies business areas materially exposed to environmental and climate risks by comprehensively leveraging multiple information sources, including corporate social responsibility reports, external ESG rating reports, environmental impact assessment reports, publicly disclosed regulatory information, patent and technical data, industry research, media coverage, and on-site investigations. The Company systematically identifies and analyzes key environmental and climate risk factors associated with relevant business activities.

Risk assessment

- In accordance with the principle that management resources should be commensurate with the scale and complexity of environmental and climate risk exposure, CGS applies both qualitative and quantitative approaches to establish appropriate assessment methodologies and measurement models.
- The Company continuously enhances its internal credit rating system by incorporating environmental and climate-related evaluation factors, and dynamically optimizes risk management tools and strategies by integrating industry classification analysis, policy development, and market trend assessments related to environmental and climate risks.

Risk monitoring, reporting, and response

- In alignment with the development of green finance and broader sustainability initiatives, CGS progressively enhances its environmental and climate risk monitoring mechanisms. The Company places particular focus on clients, issuers, and counterparties in high energy-consuming and high-emission industries, closely tracks negative public opinion and policy changes in relevant sectors, and gradually integrates environmental and climate risk monitoring into post-investment management processes to ensure timely and effective risk response.
- In the event of sudden environmental or climate risk incidents or unexpected adverse developments, relevant entities organize immediate response actions, assess potential impacts and extreme loss scenarios, and promptly report to the Risk Management Headquarters. Where such developments evolve into formal risk events, reporting obligations are fulfilled in accordance with the Company's risk event management policies.
- CGS also progressively implements classified management of green financial assets by continuously assessing the interaction between financial assets and the external environment. Based on the positive or negative environmental impact of financial assets or the level of embedded environmental and climate risk, the Company assigns differentiated risk levels and applies corresponding risk management measures.

The Company gradually integrates ESG factors into the due diligence and evaluation frameworks of its investment banking and stock pledge businesses. Through this approach, CGS enhances the comprehensiveness and scientificity of project assessments and strengthens its capability to identify and manage potential environmental and climate-related risks.

ESG due diligence key considerations in investment banking business of CGS

Environmental

- Laws and regulatory compliance: Verify and assess whether the issuer's production processes comply with applicable environmental protection laws and regulations; obtain certificates of no environmental violations or records of interviews with environmental authorities.
- Pollution and treatment facilities: Identify specific operational processes involving environmental pollution, major pollutants and emission volumes; confirm the main treatment facilities, their processing capacity, and conduct on-site inspections where appropriate.
- Environmental investment and expenditure: Review environmental protection investments and related operating expenditures to ensure the effective operation of environmental facilities; assess whether environmental inputs are commensurate with pollution generated from production and operations.
- Project approval and acceptance documentation: Collect environmental acceptance documents issued by competent authorities; obtain approval or filing documents for environmental impact assessment (EIA) reports/forms relating to newly built or upgraded projects.
- Environmental incidents and penalties: Examine any environmental incidents or administrative penalties incurred by the issuer and its subsidiaries during the reporting period, along with rectification measures undertaken; monitor online and media coverage relating to environmental incidents.
- Environmental requirements for proceeds-funded projects: Confirm that projects financed by raised proceeds have obtained required safety and environmental approvals; clarify environmental protection measures adopted, including funding sources and budget amounts.

Social

- Implementation of social security systems: Verify the issuer's compliance with social security, housing fund, and healthcare reform requirements; obtain evidence of contributions to social insurance and housing provident funds to ensure regulatory compliance.
- Labor compliance and dispute management: Assess whether the issuer has been involved in disputes or penalties arising from violations of labor protection regulations; review labor dispute records and corresponding remediation measures.
- Employee compensation benchmarking: Compare employee compensation levels with regional averages or listed peers within the same industry to assess the reasonableness of remuneration structure and market competitiveness.

Governance

- Corporate governance structure and internal control: Review the issuer's articles of association and standardized corporate governance practices; verify the completeness and compliance of articles of association and assess their implementation; evaluate the reasonableness of organizational structure and the effectiveness of operations; review the establishment and performance of independent directors; assess the overall internal control environment, including business controls, IT controls, accounting controls, and internal supervision mechanisms.
- Business integrity and independence verification: Investigate the issuer's commercial credit record; verify operational independence from controlling shareholders or related parties to ensure decision-making autonomy.
- Related-party transactions and competition: Evaluate whether the issuer and its controlling shareholders are in competition with each other to ensure fair competition and minimize conflicts of interest; review the disclosure and approval procedures for related-party relationships and their transactions.
- Tax compliance and dispute resolution: Review the tax compliance status of the issuer and its subsidiaries; confirm whether any outstanding tax disputes exist and evaluate their resolution progress.

Case

The Company establishes and applies an ESG evaluation model in equity pledge financing business

The Company actively integrates ESG principles into its business development processes. Drawing on relatively mature international ESG evaluation frameworks and adapting them to China's development stage and national conditions, the Company independently developed an ESG evaluation model for pledged securities. The model comprises three dimensions, 17 primary issues, and 43 sub-issues, and has been applied in equity pledge financing practices.

In 2025, CGS's stock pledge business continued to deepen the integration of ESG concepts with business processes, with a focus on serving national strategies and collaboratively promoting enterprise value creation. By strengthening demonstration, guidance and transmission mechanisms, the Company directed resources toward strategically critical areas. Throughout the year, CGS facilitated financing of RMB12.865 billion in fintech, RMB8.232 billion in green finance, and RMB1.213 billion in inclusive finance, effectively enhancing the efficiency of serving the real economy and the allocation of resources.

	Traditional assessment factors	ESG assessment factors
Financier	Compliance, solvency.....	• Climate and environmental impact • Social and public responsibilities • Corporate governance irregularities...
Use of proceeds	Compliance, operational performance and realizability	• Clean energy, greening • Specialized, refined, differential and innovative ... • High energy consumption, high emissions and excess capacity industries...
Underlying securities	Profitability, operating capability, solvency Cash flow, fraud detection indicators, valuation, liquidity	• Climate/pollution/green development, etc. • Employees, consumers, social public governance systems, information disclosure, governance irregularities...

Excerpt from the ESG rating model for equity pledge financing business

Case

CGS International establishes the ESG Integration Framework (ESGIF) to strengthen ESG risk management

The ESG Integration Framework (ESGIF) launched by CGS International provides systematic guidance for incorporating ESG factors into products, defines revenue eligibility criteria, and supports ESG risk management. The framework applies to ESG product development as well as the distribution and sales of listed securities, covering a range of asset classes, including equities, bonds, structured notes, and funds.

In 2025, the Sustainability Department of CGS International developed ESGIF implementation guidance tailored to its operational context, providing clear procedural instructions for business units and ensuring the effective application of ESG principles across business activities.

Indicators and Targets

The Company defines the core objective of ESG risk management in investment and financing as keeping environmental and climate risk exposures within its risk tolerance. In 2025, CGS further strengthened ESG risk management measures across all business units in daily operations and project evaluation. The Company continued to identify, assess and manage environment - and climate-related risks to ensure that such risks remained prudently within its risk tolerance. CGS also continuously refined its response measures to adapt to the evolving external environment.

Green operation

As a financial institution, China Galaxy Securities primarily consumes electricity and natural gas in its operations, as well as gasoline and diesel for its self-owned vehicles. The water used by the Company is sourced from municipal supplies, and no difficulty in water sourcing was encountered in 2025. Waste generated mainly includes office waste, kitchen waste, used batteries, toner cartridges, ink cartridges, carbon powder cartridges and discarded electronic equipment.

The Company adheres to the philosophy of green office operations and complies with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, and the *Circular Economy Promotion Law of the People's Republic of China*. CGS continuously enhances energy and resource efficiency and reduces the environmental impact arising from its business activities.

In 2025, CGS systematically advanced the concept of green operation with a focus on energy conservation and emission reduction, standardized waste management and paperless office practices. The Company promoted the coordinated improvement of operational efficiency and environmental performance, contributing to sustainability through concrete actions.

Key measures for green operation of CGS in 2025

Energy management

- CGS encourages turning off lights when leaving to reduce lighting consumption.
- The heating period of water dispensers is set from 6:00 to 23:00 each day.
- The Company strengthens inspections of office areas and promptly turns off air conditioners in unoccupied area.
- Employees are encouraged to minimize opening windows in summer to reduce air conditioning load.
- CGS steadily replaces aging vehicles with new energy vehicles to reduce carbon emissions generated from vehicle use.

Paperless operation

- CGS actively advances the development, upgrading and transformation of office automation systems and optimizes digital platforms for employees.
- The Company develops non-face-to-face account opening functions to enable online and integrated service processing. Intelligent Video Teller Machines (VTM) have been launched, allowing business transactions to be completed without paper documentation.
- In 2025, the office automation system processed more than 600,000 document workflows, saving approximately 1.8 million sheets of paper.

Waste management

- CGS strengthens waste sorting and increases the frequency of cleaning inspections.
- The Company reduces the use of plastic garbage bags to reduce environmental impact.
- Double-sided printing is promoted to reduce office paper consumption.
- Separate bins are provided for kitchen and general waste, with designated property staff responsible for collecting discarded paper.
- Used toner and ink cartridges are recycled and reused in cooperation with suppliers.
- Scrapped electronic equipment is handed over to professionally qualified companies for safe recycling, while some usable devices are retained as spare parts, reducing pollution and resource waste.

Water resources management

- "Save Water" and other conservation signage are posted in water-use areas to promote responsible water use.
- Sensor-operated faucets are installed in the Company's office buildings.

Case

CGS issued the "Practicing thrift and promoting green and low-carbon office" initiative

In April 2025, CGS issued the *Notice on Matters Relating to Practicing Thrift in Office Operations*. To consolidate existing progress and further integrate the principles of thrift and green and low-carbon practices into daily office routines and codes of conduct, the Company called on all employees to actively respond to the initiative, with a focus on the following aspects.

First, conserve resources and eliminate waste.

CGS advocates careful use of every drop of water and every kilowatt-hour of electricity, and encourages employees to avoid food waste and cherish every grain.

Second, practice green and low-carbon travel.

The Company encourages green commuting options and promotes responsible driving habits to reduce carbon emissions from transportation.

Third, promote green and low-carbon working models.

CGS advances paperless office practices, advocates green meetings, strengthens the management of office supplies, and improves resource utilization efficiency.

Fourth, act as disseminators of civilized practices.

The Company encourages proactive communication and guidance, fosters a strong culture of thrift and sustainability, and promotes mutual supervision and timely reminders among employees.





CGS continues to advance energy-saving and consumption-reduction upgrades for its data centers. The Company optimizes the operating strategies of air-conditioning and cooling systems, introduces high-efficiency cooling equipment and uninterruptible power supply (UPS) facilities, and strengthens airflow organization and lighting power management to enhance overall energy efficiency. In parallel, CGS dynamically adjusts operating capacity in response to equipment relocation and changes in data center load. The Company promotes natural cooling, AI-enabled energy optimization and refined operation and maintenance management to continuously improve PUE performance and reduce energy consumption.

PUE[1] of the main leased data centers of CGS

Data center name	2023	2024	2025
Beijing TravelSky Data Center[2]	1.620	1.620	1.600
Beijing Fufeng Road Data Center	1.300	1.297	1.295
Shanghai Jinqiao Data Center	1.490	1.480	1.450
Dongguan Southern Data Center	1.380	1.334	1.320

Note 1: PUE is the abbreviation of Power Usage Effectiveness and is an indicator used to evaluate the energy efficiency of data centers. The PUE values of the Company's four leased data centers are estimates and represent annual average values.

Note 2: In the second half of 2025, the Beijing TravelSky Data Center was gradually relocated from the Dongsi Data Center to the Houshayu Data Center. The PUE value presented in the table refers to the Dongsi Data Center. The PUE value of the Houshayu Data Center in 2025 was 1.36.

Based on its operational conditions, the Company formulates management targets for green operation. CGS continuously refines the implementation pathways, regularly tracks progress and ensures the effective execution of key measures, thereby supporting the transition toward a more eco-friendly and sustainable future.

Green operation indicators and targets of CGS

Indicator	Target	2025 performance
Power consumption per capita	Power consumption per capita at a relatively low level	2.29 MWh/person
Water consumption per capita	Water consumption per capita at a relatively low level	6.39 tonne/person
Amount of hazardous waste generated	Amounts of hazardous and non-hazardous waste generated at relatively low levels	A total of 965 electronic products discarded
Amount of non-hazardous waste generated		1,036.21 tonnes
No significant impact on the environment and natural resources at the operational level or confirmed violations that are related to environmental protection and have a significant impact on the Company		Achieved

02

Focusing on Customers to Co-Create CGS's Service Ecosystem



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

Corresponding UN Sustainable Development Goals

China Galaxy Securities takes serving national strategies as its guiding principle and diligently advances the "five major areas of finance". CGS continues to deepen financial support for the real economy and actively practices responsible investment. The Company strengthens customer service quality and investor education, striving to create long-term sustainable value for society, clients and investors. CGS continuously improves its supplier management system, promotes supply chain collaboration and advances sustainability across the value chain.

Responding to the issues of

- Serving national strategies
- Responsible investment
- Customer service quality
- Investor education
- Supplier management

The total annual underwriting amount of equities and bonds reached RMB **691,272** million

Served **458,400** investment advisory clients

Organized about **3,600** investor education activities

CHINA GALAXY SECURITIES



Feature

Aligning with the 15th Five-Year Plan and advancing toward a leading financial powerhouse

CHINA GALAXY SECURITIES

Governance

CGS closely aligns with the goal of building a strong financial nation, continuously consolidating the governance framework in which the Party Committee makes decisions, leadership groups coordinate, and individual units implement responsibilities, thereby forming a top-to-bottom, effective governance system. In 2025, the Company further refined the "1+3+3" assessment and evaluation system for serving national strategies and issued the *Assessment and Evaluation System for Serving National Strategies (2025 Revision)*. It differentiated indicator rules, added bonus criteria such as supporting technology innovation enterprises, individual pension schemes, and in-system collaborative projects, and established a functional incentive mechanism covering the Company, continuously guiding financial resources toward major strategies and key sectors.

CGS's "1+3+3" assessment and evaluation system for serving national strategies

One overall coordination leading institution	Three evaluation parts	Covering three main entities
Leading group for serving national strategies The President serves as the group leader, and the leaders in charge of various businesses serve as deputy group leaders, ensuring that the efforts in serving national strategies are carried out in a down-to-earth manner in terms of organization.	Implementation results	Headquarters of the Company
	Bonus items	Subsidiaries
	Deduction items	Branches

Strategy

The Company adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. China Galaxy Securities thoroughly studies and implements the guiding principles of the 20th National Congress of the Communist Party of China and the plenary sessions of the 20th Central Committee, and fully implements the decisions and arrangements of the CPC Central Committee. CGS firmly upholds serving national strategies and supporting the real economy as its fundamental mission. The Company focuses closely on high-quality development and advances the "five major areas of finance", contributing to the development of a strong financial nation through concrete actions. To this end, CGS formulated the *2025 Work Plan for Serving National Strategies*, providing coordinated planning and systematically defining key priorities and major initiatives.

Opportunities and response strategies for serving national strategies of CGS

Main opportunity type	Time horizon of impacts	Expected financial impacts	Response strategies
Market opportunities Opportunities related to products and services	Short, medium, and long term	Operating revenue↑ Portfolio value↑	The Company places functionality at the forefront. Closely aligned with the needs of real-sector enterprises and industrial development, the Company places serving national strategies at the forefront of its agenda. CGS strengthens institutional mechanisms and comprehensively advances the "five major areas of finance", continuously enhancing its capability to support national strategies.

Impacts, Risks, and Opportunities Management

The Company consistently places "functionality" at the core of its operations and reinforces holistic planning and closed-loop management in serving national strategies. By strengthening forward-looking deployment and systematically advancing implementation, CGS ensures that its initiatives in serving national strategies are effectively executed.

Closed-loop management mechanism for serving national strategies of CGS in 2025

Dimension	Specific measures
Top-level design	• Benchmarking against the major strategies, key areas and critical tasks proposed in the recommendations for the 15th Five-Year Plan, CGS formulated a new round of strategic planning and systematically mapped out the overall approach and key initiatives for serving national strategies for 2026-2030.
Process management	• The Company includes dedicated reports on serving national strategies at its business operation meetings to ensure the integrated advancement of national strategy implementation and corporate operation and management.
Assessment guidance	• CGS revised and refined the assessment and evaluation system for serving national strategies. For the first time, the Company introduced long-term indicators for subsidiaries to guide the cultivation of patient capital supporting new productive forces. CGS also set bonus indicators for branches in technology and pension services to incentivize frontline efficiency, and established bonus items for collaborative achievements to encourage the leveraging of synergies.
Incentive mechanism	• Based on the contribution of each unit, the Company formulated an annual functionality-based incentive mechanism covering business lines, branches, subsidiaries and headquarters departments, continuously stimulating internal momentum.
Publicity and guidance	• CGS extracts representative cases through multiple channels for external presentation, forming a coordinated communication effort.

Advancing the "five major areas of finance"

CGS upholds the political and people-centered nature of financial work and takes advancing the "five major areas of finance" as its fundamental focus. The Company continuously optimizes financial service models and pioneers financial products and instruments. It has intensified support for expanding domestic demand, technological innovation and small and micro enterprises, strengthened its core functions and enhanced its core competitiveness. In serving high-quality economic and social development, China Galaxy Securities demonstrates its distinctive value. As of the end of 2025, the total annual underwriting amount of equities and bonds reached RMB691,272 million. The outstanding balance related to supporting serving national strategies and facilitating effective investment expansion amounted to RMB326.5 billion.

Key measures of CGS in advancing the "five major areas of finance"

1 Technology finance

- As of the end of 2025, the underwriting amount of equities and bonds supporting technological innovation and the modern industrial system totaled approximately RMB32.1 billion.
- CGS assisted Seres in completing three landmark transactions, including a major asset acquisition of RMB11.5 billion, strategic financing of RMB6.12 billion, and a Hong Kong listing of RMB14.3 billion, empowering Chinese intelligent manufacturing enterprises to expand globally.
- In line with the orientation of "investing early, investing in small enterprises and investing in hard technology", the Company invested in high-tech enterprises with core technologies such as China PMT, and was featured in the special report titled "Finance Serving the Real Economy • Strength of Securities Firms" of *Shanghai Securities News*.

2 Green finance

- CGS supported the issuance of green corporate bonds (including asset securitization products) and low-carbon transition bonds with a total scale exceeding RMB234.3 billion. The Company underwrote 35 issuers with a total underwriting amount exceeding RMB17.8 billion. Financing instruments included green corporate bonds, green financial bonds, green medium-term notes and green asset-backed special plans. The transaction amount of mergers and acquisitions and restructuring exceeded RMB18.6 billion.
- For more green finance practices, please refer to the "*Green finance*" section of this report.

3 Inclusive finance

- As of the end of 2025, the Company underwrote approximately RMB22.4 billion in equities and bonds related to inclusive finance. The outstanding balance of inclusive financial products reached RMB182.5 billion. CGS cumulatively served 6,005 small and micro enterprises, representing a year-on-year increase of 141%.
- The Company supported Jingning in developing its apple industry into a pillar industry for enriching local residents and strengthening the county economy. The county ranked first in poverty alleviation stability in Gansu Province and was selected as a "Global Best Poverty Reduction Case" jointly launched by institutions, including the World Bank. For further practices, please refer to the "*Promoting rural revitalization*" section of this report.

4 Pension finance

- CGS established the "CGS Xing An Yang" integrated pension financial service system, with pension financial product assets exceeding RMB672 million.
- As of the end of 2025, the cumulative number of individual pension accounts opened exceeded 230,000, maintaining an industry-leading position.
- The Company launched the first bond basket in the market, focusing on pension finance and supported Jiuzhitang in acquiring specialized, refined, differential and innovative pharmaceutical enterprises, as well as facilitating the listing of Shantou Institute of Ultrasonic Instruments Co., Ltd., a healthcare enterprise, precisely aligning with the needs of the national health and elderly care industry.
- CGS jointly held the launch ceremony of the pension finance ecosystem cooperation initiative themed "Innovative Integration, Win-Win Future, Harmonious Synergy, Renewed Journey", contributing to the development of a high-quality pension finance ecosystem.

5 Digital finance

- As the only institution in the securities industry undertaking the national pilot task for migration to post-quantum cryptography, CGS overcame technical bottlenecks and independently developed the "PQC + SSLVPN" post-quantum cryptography security solution with fully independent intellectual property rights, addressing critical technical constraints.
- The Company established an Internet branch to build an online strategic hub, empower regional economic development and foster a new digital finance ecosystem. Through digitalized and intensive operations, CGS promotes the deep integration of technology and finance.
- For more digital finance practices, please refer to the "*Fintech application*" section of this report.

Case

CGS supports the issuance of the first and largest batch of technology innovation bonds in the market

On 9 May 2025, CGS acted as lead underwriter and comprehensive market maker to support the successful issuance by Industrial and Commercial Bank of China of the first batch of technology innovation bonds, namely the "Industrial and Commercial Bank of China Limited 2025 Technology Innovation Bond (First Tranche) (Bond Connect)". The issuance size amounted to RMB20 billion, representing the largest issuance among the first batch of financial technology innovation bonds. The proceeds will be specifically used to support business development in the field of technological innovation.

Leveraging its integrated professional strengths in "investment banking + investment + market making", the Company facilitated the successful issuance of the project. In the secondary market, CGS utilized its fintech capabilities to enhance the market appeal and liquidity of technology innovation products, providing comprehensive support for the development of the "Technology Board" of the bond market.

Case **CGS launches the first technology innovation bond index basket in the market**

In 2025, the "Galaxy Securities CFETS AAA Technology Innovation Bond Index Basket" created by CGS was filed with and launched for trading on the China Foreign Exchange Trade System. It is the first bond basket in the market linked to a technology innovation bond index. The bond basket is designed to meet institutional investors' demand for indexed investment in technology innovation bonds, offering more diversified trading approaches and investment strategies.

Case **CGS pioneers the CFETS pension-themed bond composite index optimized bond basket**

In 2025, the "Galaxy Securities CFETS Pension-Themed Bond Composite Index Optimized Bond Basket" created by CGS was filed with and launched for trading on the China Foreign Exchange Trade System. It is the first bond basket in the market focusing on the theme of pension finance.

The launch of this bond basket not only meets institutional investors' needs for allocation and trading of pension-themed bonds, but also enriches and expands the application scenarios of bond portfolio trading in the field of pension finance.

Case **Galaxy Yuanhui supports the AI chip industry chain in accelerating digital transformation**

Kunlunxin (Beijing) Technology Co., Ltd.(Kunlunxin), a company deeply engaged in the AI acceleration field for over a decade, has accumulated substantial expertise in architecture design, chip implementation, software systems and scenario-based applications.

In May 2025, Galaxy Yuanhui invested in Kunlunxin with its own capital to support the company in accelerating its intelligent industrial deployment and promoting the large-scale application and value realization of domestically developed AI computing power across multiple industry scenarios.

Promoting coordinated regional development and high-standard opening up

In 2025, CGS further increased support for high-quality development in key regions such as the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area. The Company enhanced local industrial capacity, adhered to a balanced approach of "going global" and "bringing in", and actively participated in the Belt and Road Initiative. By coordinating regional development with high-standard opening up, China Galaxy Securities facilitated the effective implementation of national strategies.

Key measures of CGS in promoting coordinated regional development and high-standard opening up

Promoting coordinated regional development

- CGS completed financing of over RMB257.3 billion in key national regions and underwrote local government bonds exceeding RMB420 billion, representing a year-on-year increase of more than 60%.
- The Company innovatively launched the "Galaxy Securities – ABC Wealth Management Beijing-Tianjin-Hebei Coordinated Development Thematic Optimized Local Government Bond Basket", supporting local governments in stabilizing the economy, safeguarding people's livelihoods, promoting development and resolving debt-related issues.
- Galaxy Yuanhui actively advanced the establishment of the Beijing-Tianjin-Hebei National Venture Capital Fund to address financing challenges faced by local enterprises.

Supporting high-standard opening up

- CGS strongly supported Chinese enterprises in "going global" and ASEAN enterprises in listing and financing. The relevant enterprises completed equity and bond underwriting exceeding RMB37 billion.
- The Company hosted the FORUM EKONOMI MALAYSIA (Malaysia Economic Forum), the ASEAN Investment Forum and the ASEAN Business Forum, and co-organized the parallel forum on high-quality development of the Belt and Road Initiative with the Export-Import Bank of China, effectively promoting cross-border investment cooperation.
- Through the Hainan Free Trade Port Fund, CGS jointly invested with the Haikou Municipal People's Government in Tsinghua Unigroup to facilitate the return and establishment of semiconductor industry projects in Hainan.
- The "Galaxy Bosera MSCI China-ASEAN Economic Linkage Select Index ETF", managed by CGI, was successfully listed on the HKEX, providing an innovative instrument for domestic and overseas investors to participate in the Belt and Road Initiative.

Case **The Company supports the transformation and upgrading of a western mining enterprise**

Western Mining Co., Ltd. ("Western Mining") is principally engaged in the mining and processing of mineral resources and is committed to enhancing technological innovation and advancing the transformation and upgrading of traditional industries.

In April 2025, the Company acted as lead underwriter, bookrunner and liquidity provider to support Western Mining in the successful issuance of the first science and technology innovation corporate bond for professional investors (High-Growth Industry Bond Supporting the Western Development Strategy, Tranche I). The bond was issued at RMB1 billion, with a five-year maturity and a coupon rate of 2.5%, marking the first high-growth industry bond nationwide dedicated to supporting the Western Development Strategy. The proceeds were used to refinance interest-bearing liabilities of mining enterprises in western China, facilitating high-quality development of advantaged industries in the region.

Case

The Company launches the market's first panda bond basket themed on the "Dual Circulation" strategy

In 2025, the Company structured and launched the "Galaxy Securities Offshore Bank Panda Bond Basket" on the CFETS platform, making it the first panda bond basket in the interbank market centered on the "Dual Circulation" development paradigm. The bond basket enriches the interbank panda bond product ecosystem, facilitates the circulation of domestic and international financial factors, strengthens cross-market connectivity, and promotes the broader use of Renminbi in cross-border investment and financing activities.

Case

The Hainan Free Trade Port Construction Fund managed by the Company supports high-standard opening up

Galaxy Capital acts as the entrusted manager of the Hainan Free Trade Port Construction Investment Fund (the FTP Construction Fund), overseeing its daily investment operations. In line with the principles of "government guidance, market-oriented operation, prudent decision-making and risk prevention", the Fund supports the development of key industries, major industrial parks and significant projects.

In 2025, the FTP Construction Fund closely aligned with the strategic directives of the CPC Central Committee and actively advanced the national agenda of high-standard opening up, while continuously increasing its investment efforts. During the year, the Fund managed 28 sub-funds with total committed capital of RMB21,676 million. These sub-funds cumulatively supported 62 projects in Hainan, providing strong momentum for the high-quality development of the Hainan Free Trade Port. The Fund was recognized among the "2025 Best Government Guidance Funds (Provincial Level) TOP30" by the China FOF Research Center and the "2024-25 Best Chinese Government Guidance Funds TOP30" by China Bridge.



Case

The Company co-hosts the ASEAN Business Forum 2025 to advance cross-border investment cooperation

On 29 May 2025, the ASEAN Business Forum 2025, co-hosted by CGS International, was successfully held in Kuala Lumpur, Malaysia. The forum, themed "From Vision to Reality: ASEAN Partnerships Fueling Sustainable Growth", attracted over 600 representatives from China, ASEAN countries, Japan and Korea, providing a high-standard opening up platform for cross-border capital and industrial collaboration.

During the forum, the Company and CGS International jointly signed a *Letter of Intent on the China-ASEAN Investment Plan*, aiming to facilitate investment cooperation between Chinese and ASEAN sovereign funds, establish cross-border private equity funds, and focus on investment opportunities in Southeast Asia, thereby injecting new momentum into China-ASEAN economic cooperation.



Indicators and Targets

The Company implemented the *2025 Work Plan for Serving National Strategies* by breaking down strategic tasks into specific planning, execution and supervision processes, ensuring that all initiatives were advanced in an orderly manner and achieved their intended objectives. Through this structured approach, the Company enhanced its responsiveness to national strategies and strengthened its capacity and contribution to serving the overall national development agenda. The targets and progress of green finance are detailed in the "*Green finance*" section of this report.

Targets and progress in serving national strategies of CGS in 2025

Type	Target	Progress in 2025
Technology finance	Expand favorable industrial transformation outcomes through promoting technology innovation.	· As of the end of 2025, CGS supported stock and bond underwriting for technology innovation and modern industrial system development, totaling approximately RMB32.1 billion.
Inclusive finance	Broaden new financing channels through deepening inclusive finance.	· The Company continuously enhanced the diversity, inclusiveness and accessibility of financial products and services. By the end of 2025, CGS's inclusive finance products had an outstanding balance of RMB182.5 billion.
Pension finance	Map a new landscape for the silver economy through a comprehensive pension finance network.	· Through the CGS Xing An Yang pension initiative, CGS integrated industry resources and collaborated with insurance, trust and other institutions to achieve effective linkage of "protection + investment + health + retirement." By the end of 2025, the Company's individual pension accounts exceeded 230,000, with pension finance product balances surpassing RMB670 million.
Digital finance	Strengthen risk warnings and safeguard security through digital supervision.	· CGS continued to advance cybersecurity measures for key information systems and conducted specialized training. · The Company participated in the 2025 national cybersecurity offensive and defensive exercises, achieving excellent results.
Coordinated regional development	Deepen research on coordinated development and draw a new picture of balanced regional growth.	· Galaxy Capital established nine new funds in key national strategic regions and completed filings, with a total scale of RMB6.255 billion, continuously increasing the effective scale of patient capital serving regional coordinated development. · Galaxy Yuanhui made seven new equity investments, with enterprise registrations covering the Beijing-Tianjin-Hebei region, the Yangtze River Delta and other key areas, continuously supporting regional coordinated development.
High-standard opening up	Promote a rules-based approach to cross-border collaboration and create a win-win ecosystem.	· CGS supported Chinese enterprises going global and ASEAN enterprises in listing and financing, with stock and bond underwriting for related enterprises exceeding RMB37 billion.

Responsible investment

CGS has established a multi-level organizational structure and management system for responsible investment. Under the overall coordination of the ESG Management Committee, the Strategy and Development Headquarters, FICC Business Headquarters, Fixed Income Headquarters, Equity Investment Headquarters, Galaxy Jinhui, Galaxy Innovation Capital, Galaxy Yuanhui, CGI, and Galaxy International are responsible for integrating ESG factors into investment decisions across different asset classes. The Risk Management Headquarters drives the integration of ESG factors into risk management, while the Research Institute provides professional ESG analytical support throughout the investment process. Through close collaboration among these units, the Company effectively advances the implementation of responsible investment practices. The Company formulated and issued the *Responsible Investment Management Statement*, which applies to all investment business lines and systematically enhances responsible investment management.

Governance structure for responsible investment of CGS



The Company actively implements responsible investment principles in investment decision-making. CGS incorporates ESG-related factors into investment considerations across asset classes, including listed equities, fixed income, private equity and alternative investments. The Company applies responsible investment strategies such as screening, ESG integration, thematic investment, corporate engagement and shareholder action. By focusing on investment targets that may generate more stable returns over the long term, CGS continuously enhances the comprehensiveness and forward-looking nature of its investment decisions.

Application of responsible investment strategies of CGS in 2025

Responsible investment strategies	Application	Investment categories involved
Screening	• The Company has established a negative exclusion list to avoid industries and enterprises that violate public order and good morals in its investment decisions. Targets involved in major pollution incidents, significant personnel accidents, or serious corporate governance controversies are carefully assessed. • The Company has established a positive screening list, incorporating the alignment of industries with ESG principles into sector allocation decisions. CGS focuses on the ESG attributes of investment targets and gives priority to those with strong ESG performance.	Listed equities[1] Fixed income Private equity Alternative investments
ESG integration	• CGS systematically incorporates ESG factors into the traditional financial and valuation analysis framework as key considerations. These factors are embedded throughout fundamental research, due diligence and asset pricing.	Alternative investments
Thematic investment	• The Company identifies investment themes based on macro trends and industrial transformation. Through industry chain analysis and multi-dimensional assessment, CGS establishes a research framework and, during target screening, focuses on enterprises' core advantages and growth potential within the relevant themes. • The Company focuses on sustainability-themed investments, participates in green bond investments, and conducts research on green-related industries. CGS pays particular attention to investment targets in green and low-carbon sectors as well as social welfare areas, including new energy, wind power, photovoltaics, green buildings, and new materials.	Fixed income Private equity Alternative investments
Impact investment	• The Company has established a social and environmental benefit evaluation system. By adopting internationally recognized impact measurement standards, CGS conducts full life-cycle management of investment projects. The Company prioritizes and participates in investments in key areas such as promoting rural revitalization and inclusive finance, balancing economic returns with social value creation.	Fixed income Private equity Alternative investments
Corporate engagement and shareholder action	• In post-investment management, CGS systematically manages ESG risks of investee companies through proxy voting and communication with management. The Company enhances investees' operational quality and disclosure standards. By strengthening operational resilience and compliance, CGS provides solid support for the long-term and stable returns of its investment portfolio.	Listed equities Private equity

Note1: The listed equity investment of the Company involves investments in emerging markets and mature markets.

When conducting private equity investments and other businesses, CGS implements the above responsible investment strategies and incorporates ESG factors into the evaluation framework for investment targets. The Company places particular emphasis on corporate governance, social responsibility and environmental impact. Based on comprehensive assessments, CGS selects investment targets with strong cost-effectiveness and deeply integrates ESG investment into its overall investment strategy.

Responsible investment management process of CGS

Investment target screening	Analysis and decision-making	Post-investment management
• The Company collects ESG information through multiple channels, including corporate announcements, industry information, information disclosure by listed companies, public opinion monitoring, third-party databases and publicly available market information. CGS also conducts company and industry chain research to form preliminary screening judgments. • The Company places particular focus on industries aligned with ESG principles, such as new energy, green buildings and new materials.	• CGS conducts qualitative analysis of proposed holdings, incorporating ESG factors as part of the overall assessment to support investment decision-making. • The Company treats ESG factors as binding indicators and fully integrates them into investment strategies and portfolio construction processes to identify corporate risks and opportunities.	• CGS continuously monitors the ESG performance of investee companies. The Company incorporates ESG risk assessment content and results into post-investment management reports to promptly identify, evaluate and respond to ESG risks related to relevant investment targets. • The Company formulated and issued the *Statement on External Voting Rights* and actively exercises its shareholder rights. Through proactive engagement with the management of investee companies, submission of proposals at shareholders' meetings, and proxy voting, the Company guides investee companies to enhance their positive environmental and social impact.

To systematically advance the development of responsible investment capabilities, CGS has established a professional and structured internal empowerment mechanism. Led by the Research Institute, the Company provides internal ESG research support to various business departments and delivers ESG training. In 2025, CGI organized a themed training session entitled "Overview of CGS International's Sustainability" for all employees, strengthening staff awareness of sustainability.

Customer service quality

Governance

China Galaxy Securities provides comprehensive financial services covering wealth management, investment banking, institutional business, international business, investment and trading, as well as parent-subsidiary integration business. The Company serves multinational corporations, small and medium-sized enterprises, high-net-worth clients and retail customers. Adhering to a client-centric philosophy, CGS has established a customer service management structure to continuously enhance its customer service management system and improve service standards.

Governance structure for customer service of CGS

Supervisory level	Board of Directors					
Management level	Executive Committee					
Executive level	Wealth Management Headquarters	Investment Banking Operation Headquarters	FICC Business Headquarters, Fixed Income Headquarters and other investment departments	Institutional Business Headquarters, Custody Headquarters	International Business Department, CGI and CGS International	Galaxy Futures, Galaxy Jinhui, Galaxy Yuanhui and Galaxy Capital
	Customer Center					

Strategy

The Company proactively identifies risks related to customer service and has formulated and implemented the *2023-2025 Strategic Action Plan for Business Lines and Subsidiaries*. Through this plan, CGS aims to build an integrated financial service system, promote coordination across the entire business value chain and extend service value.

Major risks related to customer service quality and financial impact of CGS

Risk category	Time horizon of impacts	Expected financial impacts
Operational risk	Medium and long term	Operating revenue↓
Market risk		
Reputational risk		

Customer service management strategies of CGS

Business line	Types of business	Response strategies
Wealth management business	• Securities brokerage • Investment advisory • Financial products • Securities finance • Institutional services	• The Company has established a wealth management system characterized by customer segmentation, tiered investment advisory services, layered service models, diversified products and technology empowerment. • CGS has built a service closed loop covering customer acquisition, activation, engagement and retention. • The Company leverages intelligent, digital and professional service tools to enhance service capabilities.
Investment banking business	• Equity financing • Bond financing • Financial advisory • Asset securitization	• Guided by client needs and supported by underwriting and sponsorship services, CGS builds an integrated value chain encompassing capital, research, pricing, sales and risk control, underpinned by cross-departmental and cross-market coordination.
Institution business	• Prime brokerage • Seat leasing • Custody and fund services and investment research • Sales and trading	• The Company has developed the CGS Tiangong one-stop institutional comprehensive service platform, delivering full-cycle, one-stop and fully online operational experiences.
International business	• Provision of brokerage and sales, investment banking, research and asset management services to global institutional, corporate and retail clients	• Relying on the strengths of CGI and CGS International, the Company provides diversified financial services to various client segments.
Investment trading business	• Provision of integrated financial solutions for clients' investment, financing and risk management needs	• CGS classifies clients and implements a dedicated account manager system, launching a tiered and customized full-chain service model.
Parent-subsidiary integration business	• Integration of subsidiaries engaged in futures, private equity investment management, alternative investment and asset management with the five major business lines	• The Company strengthens business coordination and resource integration to continuously provide clients with comprehensive financial services.

Impacts, Risks, and Opportunities Management

In 2025, the Company aimed to build a first-class securities service brand. Guided by client needs, the Company continuously improved its service system and enhanced the professionalism and overall quality and efficiency of customer service.

Key customer service initiatives of CGS in 2025

Business type	Major measures
Wealth management business	The Company is committed to becoming a financial advisor for the general public and a leader in household wealth management. • CGS closely integrates clients' investment needs at different market cycles with business processes, analyzes key scenarios and client demands at various stages, and formulates corresponding operational strategies. • The Company leverages intelligent, digital and professional service tools to expand service reach and enhance service quality. • CGS improves the efficiency of front-office staff and upgrades the client experience to ensure professionalism and efficiency in service delivery. • In 2025, the Company had 4,320 investment advisors, representing an increase of 7% compared with 2024. CGS served 458,400 investment advisory clients, representing a year-on-year increase of 22%. Under the "CGS Jinyi" high-net-worth client service brand, 10,262 clients were contracted, with total contracted net assets amounting to RMB277.6 billion.
Investment banking business	The Company strives to become a trustworthy investment banking expert for entrepreneurs and a service provider for the real economy. • CGS optimized team structures, strengthened the recruitment of professionals, improved project management and enhanced business coordination. The Company continued to advance integrated domestic and overseas operations and supported corporate clients in both outbound and inbound activities.
Institution business	The Company is committed to becoming a reliable full-service provider trusted by institutional clients and a long-term partner safeguarding their development. • CGS completed the full-process online transformation of its over-the-counter derivatives business, turning service bottlenecks into new business entry points. • The Company launched intelligent customer service for custody and fund services, optimized resource allocation and created incremental business value through fintech application.
International business	The Company aims to become a comprehensive service provider in international markets and a contributor to the dual circulation development pattern. • CGS International collects client feedback through customer satisfaction surveys in order to improve customer service quality.
Investment trading business	The Company strives to become a professional investment and trading service provider in the capital market and a demonstrator of market best practices. • CGS established a coordinated model integrating issuance, investment and market-making.
Parent-subsidiary integration business	Focusing on client needs, professional development and collaborative revenue generation, the Company actively integrates subsidiaries engaged in futures, private equity investment management, alternative investment and asset management with the five major business lines, continuously providing clients with comprehensive financial services.

Case CGS launches the "Xing Yao Family Office" service brand

In June 2025, CGS held the 2025 Wealth Management Business Conference and the launch event of the CGS Xing Yao Family Office in Beijing. Centered on the professional and international development achievements of its wealth management business, the Company upgraded the "CGS Xing Yao" client service system and officially introduced the "Xing Yao Family Office" service brand.

The "Xing Yao Family Office" service targets family clients and is designed to connect client wealth with global markets by providing one-stop comprehensive financial service solutions. The launch further enhances the wealth management service landscape of China Galaxy Securities and marks another key milestone in the internationalization of the Company's wealth management business following the rollout of the Cross-boundary Wealth Management Connect Scheme.



CGS has formulated the *Implementation Rules for Handling Customer Complaints in Wealth Management Business* to standardize complaint handling procedures, define processing timelines and achieve closed-loop management of complaints. In 2025, building on its existing full-process management framework, the Company introduced four additional complaint handling management mechanisms. These enhancements have made complaint handling more comprehensive and refined, significantly improving efficiency and quality.

Customer complaint communication channels of CGS

Customer service hotline: 95551 or 4008-888-888

On-site visits and telephone services at branch offices

Official website and mobile app: "Online Customer Service" portal

WeChat: CGS official account – services – smart customer service

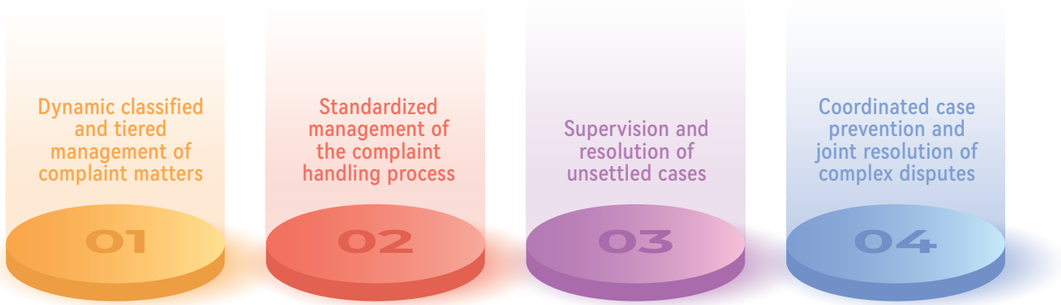
Email: webmaster@chinastock.com.cn

Mail: Qinghai Financial Building, Building 1, Yard 8, Xiying Street, Fengtai District, Beijing

Customer complaint handling process of CGS



Customer complaint management mechanisms of CGS



Indicators and Targets

Guided by the goal of enhancing customer service quality, the Company continuously improves its customer service system, focuses on increasing customer satisfaction and strengthens the efficient and standardized handling of complaints. The Company is committed to delivering professional, high-quality and trustworthy customer service experiences.

Customer service quality indicators and targets of CGS in 2025

Target	Indicator	2025 performance
Enhance customer service quality	Satisfaction rate of return visits to newly opened clients	99.07%
	Customer satisfaction rate of 95551 hotline services	99.08%
	Satisfaction rate of customer complaint (feedback) handling	90.02%

Investor education

China Galaxy Securities strictly implements regulatory requirements, including the *Several Opinions on Strengthening the Protection of Small* and *Medium Investors in the Capital Market*. The Company has formulated the *Measures for the Administration of Investor Education* and the *Guidelines for the Protection of Investors' Rights and Interests*, established a working group on investor protection and education, and continuously improved its management system for investor protection and education.

Adhering to a development philosophy centered on investors, CGS has continuously deepened investor education initiatives. In 2025, the Company formulated the *2025 Investor Education Activity Plan: Rational Investment Accompanies Me*. CGS advanced investor protection and education activities in an orderly manner, organizing a total of 3,600 investor education events throughout the year, with outreach exceeding 70 million participants.

Key investor protection and education initiatives of CGS in 2025

- The Company upgraded differentiated online pages and thematic sections of its investor education bases to enhance the relevance and readability of investor education services.
- Offline, CGS strengthened service provision in remote areas and second – and third-tier cities through physical bases and promoted the implementation of the "Investor Education V Base" project. In 2025, 280 outlets launched the "Investor Education V Base", representing a rollout rate of 61.1%, demonstrating growing synergy between online and offline channels.



- CGS actively participated in the joint social governance initiative to prevent illegal financial activities. At a special press conference hosted by the Criminal Investigation Corps of the Beijing Municipal Public Security Bureau on preventing fraudulent online investment and wealth management scams, the Company spoke as a representative of the securities industry and provided professional interpretations focused on the risks of illegal online wealth management.

- The Company launched an online national education course series entitled "From Beginner to Advanced: Building a Solid Moat for Rational Investment", comprehensively covering fundamental investment knowledge and advanced strategies to support investors from market entry to more sophisticated investment stages.
- CGS also collaborated with domestic universities to carry out capital market practice courses, investor education campus activities, thematic lectures, knowledge competitions and resume contests. These diversified initiatives enhanced university students' understanding of financial products and risk awareness, fostering from the outset an investment philosophy of respecting the market, being mindful of risks and participating rationally.

In 2025

The investor education work evaluation for securities companies was rated **Grade A**.

The Company was honored with the 2024 Outstanding Practice Case for Investor Protection by the Shanghai Stock Exchange, as well as **special awards** for the **"I Am a Shareholder"** initiative and the Investor Education into Universities program.

CGS received the Silver Award in the **"Shareholders Are Coming"** (2025) short video competition organized by China Securities Investor Services Center.

CGS was also recognized with the Golden Tripod Award by *National Business Daily* as the **"Most Influential Securities Firm Investor Education Base of 2025"**.

The Company was granted the **"Innovative Internet Investor Education Base Award"** and the **"Innovative Investor Education Activity Award"** in the 2025 **"Cailian Xing Yin Cup"** Financial Education Annual Selection organized by Cailian Press.

Case

CGS hosts the Beijing session of the "Empowering Rights, Envisioning Beauty in the Future" national education campaign

CGS organized the Beijing session of the "Empowering Rights, Envisioning Beauty in the Future" national education campaign. The Company innovatively created a "Silver-Haired Investor Education Carnival" scenario, featuring experiential activities and services such as lacquer fan crafting, Baduanjin exercise sessions and free health consultations. By integrating cultural enrichment, health care support and investor education outreach, CGS achieved a combined effect of cultural engagement, health support and investor education promotion, effectively enhancing elderly participants' sense of fulfillment and well-being.



Case

CGS gathers authoritative expertise to host an online investor education forum

CGS hosted the Third Investor Education Forum under the theme "Advancing Reform for New Prospects and Promoting Inclusiveness for New Momentum". The Company innovatively established an industry-academia-research collaborative discussion model, bringing together scholars from Renmin University of China, Nankai University and China University of Political Science and Law, along with securities industry experts, to conduct in-depth exchanges on policy interpretation, market outlook, and investor protection. Grounded in systematic policy logic analysis and the interpretation of representative cases, the forum contributed to building a comprehensive cognitive framework for investors and advocated rational investment principles. Related publicity and outreach reached more than 6.7 million participants.



Supplier management

China Galaxy Securities operates in the financial services industry. Its main categories of suppliers include providers of information technology hardware and software, property management services, office supplies and audit services. CGS strictly complies with relevant laws and regulations, including the *Government Procurement Law of the People's Republic of China* and the *Tendering and Bidding Law of the People's Republic of China*. The Company has formulated internal policies such as the *Basic Measures for Procurement Management* to standardize supplier management and ensure compliant and efficient procurement operations. In 2025, CGS revised the *Measures for the Administration of Decentralized Procurement by Branches* and the *Centralized Procurement Catalogue and Standards*, further refining procurement requirements and clarifying the responsibilities of relevant departments.

In accordance with the *Basic Measures for Procurement Management*, the Company implements a full life-cycle management mechanism covering supplier admission, cooperation, evaluation and exit. Through market research, CGS gains a comprehensive understanding of suppliers' environmental and social risks, and conducts screening, assessment and periodic review. During procurement activities, the Company gives priority to energy-saving and eco-friendly products, guiding suppliers to continuously improve their environmental and social responsibility performance and promoting sustainability across the supply chain.

With respect to anti-corruption management of suppliers, CGS incorporates anti-commercial bribery clauses into contracts signed with suppliers, explicitly prohibiting commercial bribery and related misconduct. The Company requires all suppliers participating in procurement projects to comply with strict business ethics standards and to establish sound anti-corruption systems or policies. CGS regularly evaluates the implementation of suppliers' anti-corruption policies to ensure that relevant requirements are effectively enforced.

Regarding supplier data security management, the Company has established comprehensive data security policies and clearly requires suppliers to comply with information security standards to safeguard information security throughout the supply chain. For further details, please refer to the section "*Information safety and customer privacy protection*" of this report.

In 2025, CGS ensured transparency in procurement information disclosure and adhered to the principles of fairness and impartiality in supplier selection. Procurement needs, procurement results and channel cooperation partners were promptly disclosed on the Company's official website. The Company continued to strengthen supply chain security management and closely monitored the operational and legal risks of partner suppliers to ensure compliance, stability and business continuity in procurement activities. During the reporting period, CGS did not experience any material business interruption caused by improper supply chain management.



03

Implementing Digital

Intelligent Innovation to Safeguard the Future of CGS



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Corresponding UN Sustainable Development Goals

China Galaxy Securities systematically advances fintech applications, information safety and customer privacy protection in alignment with the requirements of fintech development and digital transformation. By strengthening its governance structure, improving institutional frameworks, and enhancing both technical and managerial measures, the Company safeguards secure and stable business operations and promotes high-quality development.

Responding to the issues of

- Fintech application
- Information safety and customer privacy protection

First securities institution to enable investment in over-the-counter wealth management products using **digital Renminbi**

IP image "Yin Xiao He" received the **Jury's Special Recommendation Award** at the 2025 International Creative Communication Awards (C2A)

Won the Digital Transformation **All-around Junding Award** of the Chinese Securities Industry

CHINA GALAXY SECURITIES

Fintech application

Governance

CGS strictly complies with the *Administrative Measures for Internet Information Services* and the *Guiding Opinions on Promoting the Healthy Development of Internet Finance*. The Company has formulated internal policies such as the *Detailed Rules for the Administration of Digital Financial Business* and the *Detailed Rules for the Administration of Intelligent Trading Tools*, and has established a fintech governance structure to promote compliant and efficient development.

Governance structure for fintech application of CGS

Management level	Executive Committee	Coordinate and lead matters related to fintech and IT governance and annually review major decisions formed by the Fintech and IT Governance Committee.
	Fintech and IT Governance Committee	Serve as the specialized deliberation body for fintech and IT governance, reviewing fintech development plans, annual work arrangements, and major fintech applications and information system development matters.
Executive level	IT Department	Act as the standing office of the Fintech and IT Governance Committee and is responsible for organizing and coordinating fintech application governance, as well as system development, operation, and maintenance.
	Relevant business departments and subsidiaries	Implement fintech applications in accordance with unified Company requirements and embed relevant management requirements into business processes.
	Legal and compliance, risk management, audit, financial management and other functional departments	Participate in the review of fintech application-related matters from compliance, risk, internal supervision, and financial management perspectives to ensure adherence to regulatory and internal management requirements.

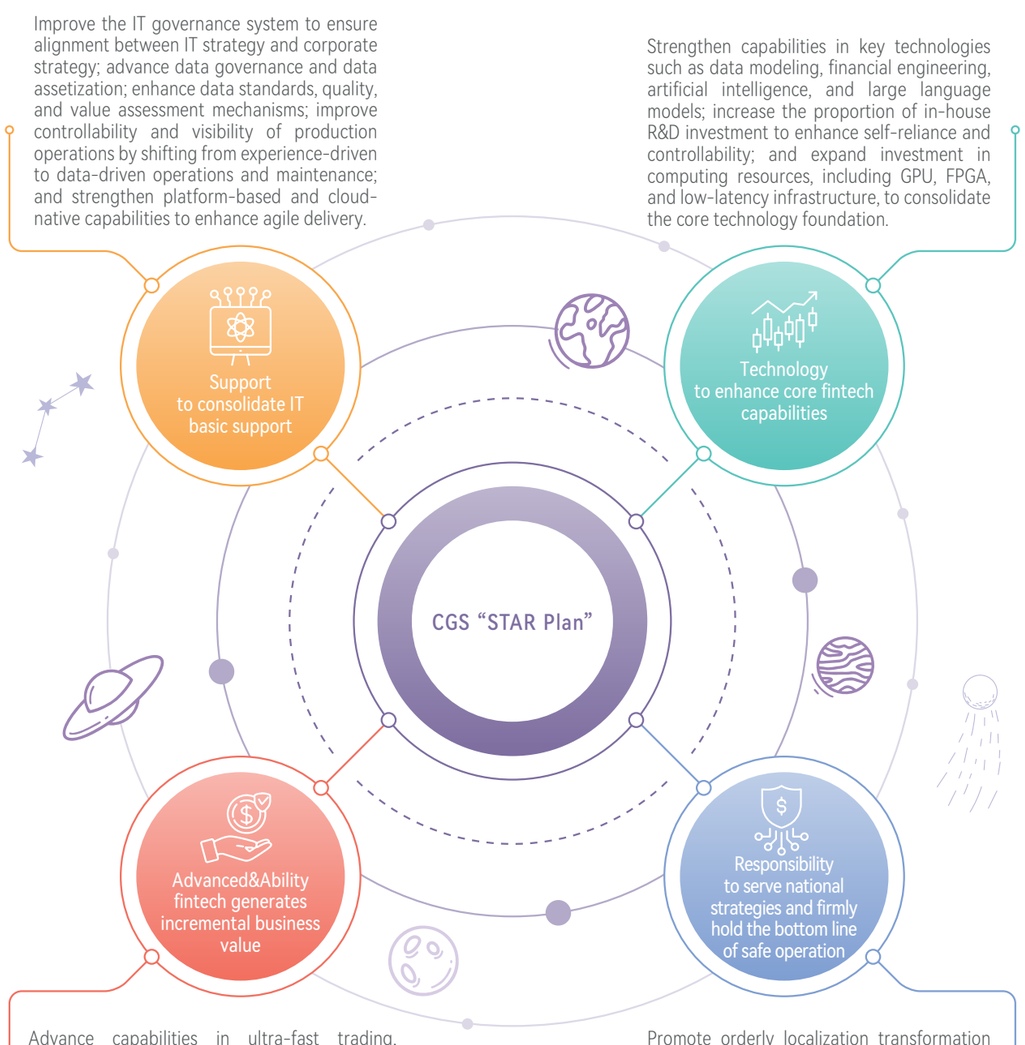
Strategy

The Company gives full play to the guiding role of the Fintech and IT Governance Committee, strengthening research, planning, decision-making, and overall coordination of digital transformation and fintech initiatives, while identifying risks and opportunities arising from fintech development.

Analysis of fintech risks and opportunities and response strategies of CGS

Risk and opportunity type	Time horizon of impacts	Expected financial impacts	Response strategies
Innovation and data security risks	Short, medium, and long term	Operating costs↑ Operating revenue↓	• Promote organizational and management optimization to adapt to business development and agile technological evolution. • Enhance fintech capabilities with a business-empowerment orientation while strengthening compliance management and adherence to technology ethics in the application of emerging technologies. • Strengthen talent development, expand staffing in an orderly manner, and enhance professional and interdisciplinary capabilities. • Improve IT management and risk prevention and control mechanisms to ensure secure system operation and effective implementation of plans.
Risks related to the application of new technologies and technology ethics	Medium and long term	Compliance costs↑ Operating revenue↓	
Opportunities to enhance customer experience	Short, medium, and long term	Operating revenue↑	
Opportunities to empower internal management	Short, medium, and long term	Operating revenue↑ Operating costs↓	

To implement the objectives set out in the CGS Development Plan (2023-2025), particularly the "Five-in-One" and the "Three Plus One" development strategy, CGS has continuously advanced its fintech "STAR Plan", systematically strengthening its IT and data foundations and promoting deep integration between business and technology. In 2025, the Company made all-out efforts to complete the new round of fintech strategic plan under the "STAR Plan". While firmly safeguarding the bottom line of secure operations, CGS leveraged fintech to empower high-quality development.



Impacts, Risks, and Opportunities Management

The Company has established a closed-loop mechanism for fintech application covering identification, assessment, prioritization, monitoring and management. Through systematic, digital and intelligent approaches, CGS enhances the security, stability and business support capabilities of fintech application.

In 2025, under the "STAR Plan", the Company further deepened the integration of fintech into business development and internal operations. By leveraging digital and intelligent tools, CGS improved operational efficiency and service capabilities, promoting the scalable and systematic transformation of fintech application achievements.

Fintech application management measures and outcomes of CGS in 2025

Fintech empowering business

Intelligent trading

- CGS continuously improved the intelligent trading tool system and delivered 23 product function upgrades during the year, covering conditional orders, strategy-based entrustment and trading assistance functions, and expanded paid value-added services such as VIP information.
- CGS's intelligent trading products gained peer recognition, and their product formats and business models became benchmarks within the industry.
- CGS achieved a 120% year-on-year increase in annual transaction volume, and the proportion of intelligent trading transactions increased by 32% year on year.

Intelligent marketing

- The Company focused on refined customer operations and O2O digital empowerment, promoted scenario-based transformation of the customer journey, and explored AI-driven ETF marketing models.
- CGS achieved an 88% year-on-year increase in intelligent marketing sales.

Intelligent services

- The Company focused on cutting-edge technologies such as AI and digital twin technology to build a full-scenario digital human service system, promoting the transformation of financial services toward intelligence, personalization and scenario-based delivery.
- CGS launched the DeepSeek-R1 "full-size" model to empower its self-developed investment advisory platform G-Winstar (Ask TA System), aiming to create a new buy-side advisory ecosystem that better understands investors.
- CGS produced more than 5,000 customized content items during the year and served over 1.3 million user visits.

Digital wealth management and APP development

- The Company advanced APP integration and digital operations, leveraged data models and analytical capabilities to enhance user experience and customer stickiness, and continuously empowered branch expansion and wealth management business development.

Organizational coordination and working methods

- The Company promoted horizontal agile collaboration mechanisms by establishing various virtual collaborative teams, thereby enhancing communication efficiency and coordination between technology and business functions.

System operation and technical support

- CGS increased investment in IT research and development as well as operations and maintenance, facilitated the transformation of technical personnel toward R&D-oriented and intelligent capabilities, and continuously improved system efficiency and stability.

Infrastructure and resource utilization

- The Company implemented centralized management of IT infrastructure resources, improved the utilization rate of data centers, networks and servers, promoted cost reduction and efficiency enhancement, and improved the rationality of IT investment.

Enhancing fintech governance and operational efficiency

R&D and delivery capability

- CGS advanced the standardization and agility of its R&D system, completed DevOps-related framework development, passed continuous delivery capability assessment, and effectively improved system development and delivery efficiency.

Fintech ethics considerations

- The Company continued to strengthen the internal control system featuring full coverage, penetration and end-to-end management.
- CGS advanced the development of a comprehensive risk management platform and cross-risk thematic systems, reinforcing compliance, prudence and ethical constraints throughout fintech application.

The Company has continuously strengthened the cultivation and capability enhancement of fintech professionals in response to fintech development and digital transformation needs. Through multi-level training programs and practical empowerment initiatives, CGS has enhanced employees' understanding and application of emerging technologies and their integration with business operations.

Measures for building a fintech talent team of CGS

Professional talent recruitment and development

- The Company continuously increased the recruitment of professional technical personnel. Through the introduction of external experts, job rotation mechanisms and internal talent development programs, CGS expanded employees' technical capabilities and enhanced organizational collaboration and innovation capacity.

Fintech-specific training

- The Company organized directors to participate in external professional training to continuously enhance their understanding of artificial intelligence and cutting-edge fintech developments. In May 2025, directors of CGS participated in the "Overview of AI Technology and DeepSeek Industry Applications" training session organized by The Listed Companies Association of Beijing, systematically learning about AI development trends and industry practices.
- In line with the annual training plan, the Company continuously carried out "thematic training month" initiatives and leveraged its proprietary online training platforms, such as "Jin Ze Xiu", to strengthen capabilities in integrating new technologies with business operations.
- Relying on the innovation camp under the "STAR Plan", CGS enhanced frontline teams' understanding and practical capabilities in fintech applications and digital business scenarios through specialized training sessions and open courses.

Indicators and Targets

The Company has set clear fintech development objectives, comprehensively improving its fintech talent cultivation system and mechanisms, steadily expanding the scale of fintech professionals, and increasing IT investment.

Fintech indicators and targets of CGS in 2025

Target	Indicator[1]	2025 performance
By 2025, CGS aims to significantly enhance its overall fintech strength, effectively support the implementation of the Company's strategic plan, and generate incremental business value	Information system investment	RMB1.421 billion
	Number of IT R&D personnel	317 persons
	Proportion of IT R&D personnel	2.95%
	Number of valid patents/software copyrights during the reporting period	20 items
The Company's "Integrated Negotiated Trading Robot Platform Project for the Securities Industry" and "Enterprise-level Large Model Platform and New Application Paradigm Project" respectively won the Second Prize and Third Prize of the 2024 Fintech Development Award (the highest award in the fintech field), jointly issued by the People's Bank of China and the China Securities Regulatory Commission.		
CGS received honors, including the Digital Transformation Junding Award in Wealth Brokerage of the Chinese Securities Industry and the Outstanding Securities Firm Fintech Demonstration Institution Award at the 9th Yinghua Demonstration Case for Securities Firms in China.		

Note 1: Fintech indicators are prepared on a parent company basis of China Galaxy Securities.

Information safety and customer privacy protection

China Galaxy Securities conducts business operations that involve various types of data, primarily including customer data and transaction data. Customer data contains personal identity information, account information and other privacy-related information.

Governance

CGS strictly complies with the *Cybersecurity Law of the People's Republic of China,* the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Regulations on Network Data Security Management*, and the *Administrative Measures for Cybersecurity* and *Information Security in the Securities and Futures Industry*, as well as other applicable laws, regulations and regulatory requirements. The Company has formulated and issued the *Measures for the Administration of Data Security* and revised the Implementation *Rules for Data Classification and Graded Management*. Through continuous enhancement of its governance framework, CGS has established a well-structured organizational system with clear lines of responsibility and effective coordination mechanisms. The current institutional framework applies to the headquarters and branch offices of CGS. Subsidiaries may formulate and implement corresponding internal policies with reference to the Company's management framework.

Information safety and customer privacy protection governance structure of CGS

Supervisory level	Board of Directors	The Board of Directors oversees the compliance and effectiveness of the Company's network and information safety management, as well as customer privacy and personal information protection. The Board incorporates relevant work into the corporate governance and internal control supervision framework of CGS.
Management level	Leading Group for Network and Information Safety	Information safety: The Leading Group for Network and Information Safety is composed of certain members of the Company's Party Committee and principal persons in charge of relevant headquarters departments. The Leading Group exercises unified leadership and coordinated management over network and information safety across CGS.
	Chief Compliance Officer	Customer privacy protection: The Chief Compliance Officer coordinates personal information protection across CGS and performs the duties of the person in charge of personal information protection.
	IT Department	The Information Technology Department serves as the lead department for network and information safety at CGS. The department organizes and implements network and information safety management and promotes the effective execution of relevant policies and management requirements.
Executive level	Legal compliance, audit and other relevant departments	Legal compliance, audit and other relevant departments carry out compliance management, supervision, inspection and audit evaluation of the implementation of policies related to network and information safety and personal information protection in accordance with their respective responsibilities. These departments prevent compliance risks and internal control risks associated with information safety and customer privacy protection.
	Headquarters departments and branch offices	All headquarters departments and branch offices act as the executing entities for network and information safety management. These units implement the accountability system for network and information safety. They also fulfill personal information protection responsibilities in accordance with their respective duties and implement the Company's relevant policies and management standards.



Strategy

CGS has formulated the *Network and Information Safety Development Plan (2024-2026)*, which defines the key priorities in the field of data safety for the next three years. The Plan continuously strengthens the security of networks and information systems and advances protection of critical information infrastructure, multi-level protection compliance, data safety, personal information protection, and cross-border data security safeguards. Through these measures, the Company reinforces its security defenses and further enhances its data safety governance capabilities.

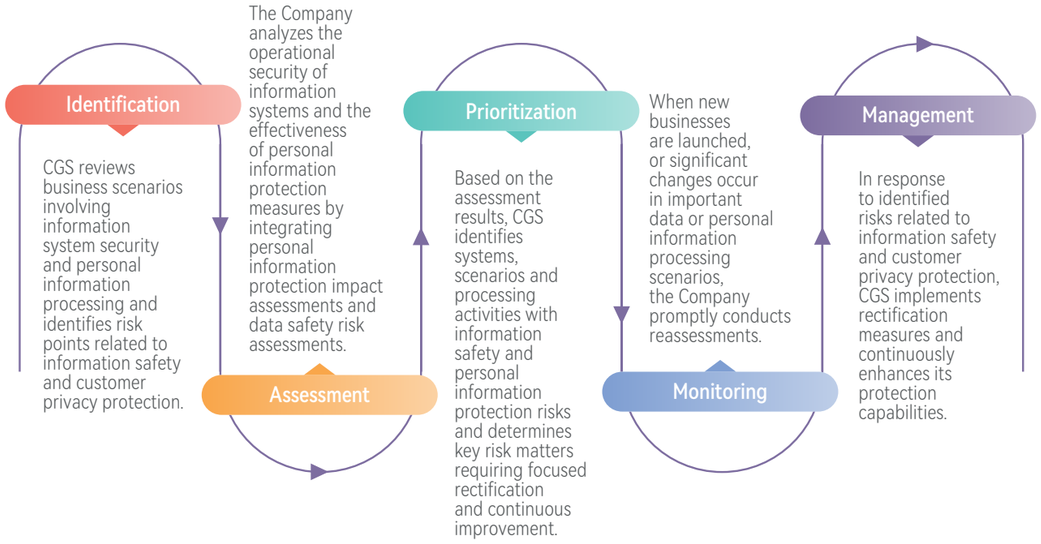
Information safety and customer privacy protection risk analysis and strategies of CGS

Risk type	Time horizon of impacts	Expected financial impacts	Response strategies
Data leakage risk	Medium and long term	Operating revenue↓ Compliance costs↑	• The Company classifies data by category and sensitivity level and formulates differentiated security protection strategies for different data classifications and levels. At the same time, it has implemented technical tools such as a data desensitization system, a transparent document encryption and decryption system, and digital watermarking to ensure the effective implementation of security measures and prevent the risk of data leakage.
Risk of insufficient personal information protection measures			• The Company conducts data security risk assessments, personal information protection impact assessments, and personal information protection compliance audits to identify risks, pinpoint gaps, address weaknesses, and continuously improve data security and personal information protection measures.

Impacts, Risks, and Opportunities Management

In managing information safety and customer privacy protection, CGS integrates personal information protection impact assessments and data safety risk assessments. The Company conducts systematic identification, analysis and evaluation of information systems and personal information processing activities. Based on the assessment results, CGS continuously advances risk rectification and management improvements.

Information safety and customer privacy protection risk management process of CGS



Information safety management

Focusing on the secure and stable operation of information systems, CGS has established an information safety management mechanism covering ex-ante prevention, in-process monitoring and ex-post response. The Company combines proactive technical protection with reactive emergency response to effectively address information safety incidents such as data leakage. During the reporting period, CGS did not experience any material information safety incidents, including data leakage events.

Proactive and reactive information safety protection measures of CGS

Proactive measures

Technical protection and continuous monitoring

CGS deploys data leakage prevention (DLP) technologies to conduct continuous monitoring and auditing of sensitive information transmitted externally through email systems, endpoint activities and network data transmission processes. The Company leverages log analysis and alert mechanisms to promptly identify abnormal data flow behaviors.

Risk assessment mechanism

CGS regularly conducts data safety and information system operation risk assessments. The Company reviews system architecture, permission configurations, data usage and external interfaces to identify potential information safety risks and formulates rectification and improvement measures accordingly.

Daily management and control

Through hierarchical account and permission management, access control, log retention and auditing, and security policy configuration, CGS strengthens control over system access behavior and data flow processes and standardizes the use of employee and system accounts.

Reactive response mechanisms

Emergency response plan and response mechanism

The Company has formulated and implemented the *Emergency Response Plan for Information System Incidents*. In light of different scenarios, including centralized trading systems, online trading systems, cybersecurity incidents and sensitive information security incidents, CGS has established multiple specialized contingency sub-plans. The Company defines activation conditions, handling procedures and division of responsibilities for incidents involving data leakage, tampering, damage or illegal use, ensuring orderly emergency response in accordance with established plans.

Incident disposal and coordination

In the event of an information safety incident, the Information Technology Emergency Response Task Force takes the lead in organizing response actions. Based on the type and impact scope of the incident, the task force conducts system isolation, permission control, service switching and vulnerability remediation, and coordinates with relevant business departments, compliance management departments and external support parties. While containing risk impacts, CGS prioritizes the continuous and stable operation of core systems and key businesses.

Post-incident evaluation and continuous improvement

After incident handling is completed, the Company conducts post-incident evaluation of causes, response processes and impacts, formulates review reports and rectification plans, and continuously enhances prevention and response capabilities by improving contingency plans, optimizing technical measures, strengthening management requirements and reinforcing internal training, thereby reducing the likelihood of recurrence.

Case

CGS conducts emergency drills for data tampering and sensitive information leakage scenarios

To test the effectiveness and operability of its emergency response plans for information safety incidents, CGS organized emergency drills focusing on typical risk scenarios such as data tampering and sensitive information leakage. In March 2025, the Company simulated an attack on its CRM system caused by an interface vulnerability, which triggered a data loss prevention alert. CGS quickly identified the source of the breach, blocked the attack, and patched the vulnerability, while simultaneously completing risk assessment and reporting. In May, a scenario was simulated in which the big data platform server was infected by a virus and its database was maliciously altered. The Company activated its emergency response plan to conduct a coordinated investigation, restored data using backups, and addressed abnormal processes and the attack pathway.

CGS continuously conducts internal and external audits of information technology management and obtains relevant certifications to enhance its information safety framework and safeguard the sustainability of its business operations.

Information safety-related certifications and audits of CGS in 2025

Certification and protection evaluation

- CGS has obtained ISO/IEC 27001 certification for the information security management system and ISO/IEC 20000 certification for the IT service management system. The relevant certifications have been deeply embedded into more than 90% of the Company's key business scenarios.
- The Company's mobile application complies with the standards of JR/T 0192-2020 and JR/T 0240-2021 and has obtained product security certification.
- CGS continues to carry out multi-level protection evaluation of cybersecurity. As of the end of the reporting period, eight of the Company's Level III information systems under the Multi-Level Protection Scheme had successfully passed the 2025 annual cybersecurity compliance assessment.
- Building on existing certifications, the Company has advanced security certification for six additional mobile apps and promoted certification under the integrated development, security and operations (DevSecOps) standard system.

Internal audit

- In strict accordance with the *Measures for the Administration of Information Technology of Securities and Fund Operating Institutions*, CGS conducts annual internal audits of information technology management.
- In the annual internal control effectiveness evaluation and special audits on information technology management, the Company focuses on personal information protection, information technology safety, disaster recovery data center construction, operation and maintenance, and emergency management in compliance with applicable laws and regulations.

External audit

- CGS regularly engages external institutions to conduct comprehensive audits of information technology. The audit scope includes, but is not limited to, information technology governance, compliance and risk management, information technology safety management, and emergency management. The Company has engaged an accounting firm to conduct a comprehensive audit of its information technology management for 2025 and will issue a full audit report on its information systems.
- In accordance with external regulatory requirements, CGS conducts compliance audits on personal information protection, covering the legal basis of personal information processing activities, personal information processing rules, and the fulfillment of notification obligations by personal information processors. In October 2025, the Company engaged the China Academy of Information and Communications Technology to conduct a special audit on personal information protection.

Customer privacy protection

With respect to customer privacy protection, CGS standardizes the collection and processing of customers' personal information in accordance with the *Measures for Data Security Management* and the *Measures for the Administration of Personal Information Protection*. The Company fulfills its statutory obligations to protect customer information, ensures compliance throughout the full lifecycle of information processing, and safeguards the lawful rights and interests of customers.

Customer privacy protection management measures of CGS

Customer information collection

- CGS follows the principles of lawfulness, legitimacy and minimum necessity in collecting customer information. The Company adopts methods that minimize the impact on personal rights and interests and does not infringe upon the lawful rights and interests of personal information subjects.
- Through its privacy policy, CGS clearly informs customers of the scope, purpose and retention period of collected data and obtains explicit consent. The Company does not collect personal data beyond the specified scope and deletes data promptly upon expiration of the retention period.

Customer information processing

- When entrusting external partners with the processing of customers' personal information, CGS specifies through contracts the purpose, duration, processing methods, scope, categories of personal information, protection measures, and respective rights and obligations of both parties. The Company supervises the entrusted party's personal information processing activities.
- Except where necessary for transactions and services or otherwise required by law, CGS does not provide or transfer customers' personal information to third-party companies, organizations or individuals.

Customer information management rights

- CGS safeguards customers' rights related to personal information protection, including the rights to access, copy, transfer, correct, supplement, delete and restrict the processing of personal information, as well as to close accounts and withdraw consent.

Sensitive data access control and protection

- The Company has established a static data desensitization system to desensitize sensitive data in development and testing environments.
- CGS has also implemented a dynamic data desensitization system to conduct real-time desensitization of personal sensitive data in interactive access scenarios.
- The Company has deployed a transparent document encryption and decryption system to encrypt exported personal sensitive data. Plaintext data can only be viewed on authorized internal devices with the required installations, and any leaked data remains encrypted and unreadable.
- CGS has also deployed network data leakage prevention solutions to monitor the external transmission of sensitive data.

Product and service development standards

- CGS has established a safety control mechanism covering the entire product and service development process. Before development, the Company conducts security requirement reviews and solution assessments. During development and construction, CGS implements security measures in accordance with approved plans, including data desensitization in development and testing environments and dynamic desensitization during data display. Prior to launch, the Company conducts vulnerability scanning, penetration testing and privacy compliance inspections.
- For certain products and services delivered with source code, CGS uses a source code security testing platform to analyze and scan code security.
- In the design of products and services, CGS incorporates customer privacy clauses, privacy policy notifications and investor education videos on online platforms such as mobile apps. Through these arrangements, the Company provides customers and users with education on cybersecurity and privacy protection, guiding them to enhance their awareness of secure usage and strengthen their capability to protect personal information.

Co-building the information safety ecosystem

CGS attaches great importance to publicity, education and awareness-building on information safety and privacy protection. Centered on requirements relating to information safety, data protection and privacy protection, the Company conducts synchronized training and awareness programs for all internal employees, including dispatched workers, as well as outsourced personnel and external investors. Through targeted internal training programs, CGS strengthens employees' capabilities in information safety and data protection. Through investor education courses, the Company disseminates cybersecurity knowledge to investors. These initiatives continuously reinforce the overall foundation of information safety management.

CGS extends information safety and data protection requirements throughout the management of suppliers and business partners. By combining pre-engagement risk assessment, in-process control and post-engagement evaluation, the Company embeds information safety and confidentiality requirements into intermediary selection, contract management and project implementation. These measures help prevent information safety risks arising from third-party services.

Information safety management process for suppliers and business partners of CGS

Contract and commitment management

CGS incorporates information safety and confidentiality clauses into contracts signed with suppliers. The Company requires service personnel to sign cybersecurity and confidentiality undertakings, clearly defining responsibilities and behavioral standards for protecting the Company's systems, data and sensitive information.

Pre-engagement assessment

Before engaging intermediary institutions and external service personnel, CGS conducts information safety risk assessments. The Company evaluates the qualifications, professional conduct and any previous adverse information safety records of intermediary institutions and their personnel. Engagement proceeds only after assessment approval.

In-process control

During project implementation, CGS strengthens information safety management and behavioral supervision of suppliers and their service personnel. The Company regulates system access, account usage and data access permissions to reduce information safety risks.

Post-engagement evaluation

After project completion, CGS evaluates suppliers' and service personnel's project performance and fulfillment of information safety obligations. The evaluation results serve as an important reference for future cooperation.

Indicators and Targets

CGS has established targets for information safety and customer privacy protection. Through employee training, emergency drills and other measures, the Company continuously deepens its management of information safety and privacy protection.

Information safety and customer privacy protection indicators and targets of CGS in 2025

Indicator	Target	Progress
Number of training and education sessions conducted	• CGS organizes personal information protection education and training on a regular basis, with at least one session conducted annually.	• CGS conducted one thematic training session on information safety and confidentiality awareness for all employees. • The Company organized one dedicated training session on information security and confidentiality awareness for on-site outsourced personnel of the IT Department. • The Company organized one investor education live lecture on cybersecurity. • CGS conducted two training sessions for all staff of the Information Technology Department on data classification and grading and data desensitization.
Number of emergency drills conducted	• CGS organizes at least one disaster recovery drill for centralized trading every six months. • CGS conducts drills for emergency scenarios such as power outages, fire incidents and air conditioning failures at least once annually. • CGS conducts at least one emergency drill for key information systems each year and completes a full coverage cycle for all key information systems every two years.	• The Company conducted a security drill on sensitive data leakage in the CRM system. • CGS carried out 19 emergency drills for scenarios such as power outages, fire incidents and air conditioning failures. • The Company also conducted a security drill on sensitive data tampering incidents on the big data platform.
Number of major safety incidents	• CGS establishes a fundamentally sound safety protection system to prevent major safety incidents.	• No major safety incidents occurred at CGS during the reporting period.
Number of data safety or customer privacy leakage incidents	• No major data safety or customer privacy leakage incidents.	• No major data safety or customer privacy leakage incidents occurred at the Company during the reporting period.

04

Adhering to the People-centric Philosophy to Jointly Strive for Bright CGS



Corresponding UN Sustainable Development Goals

Adhering to a people-centered philosophy, CGS systematically advances human capital management to consolidate the talent foundation for high-quality development. As a state-owned financial enterprise, the Company actively fulfills its social responsibilities by serving national strategies, continuously deepening rural revitalization initiatives and expanding public welfare actions, thereby promoting sustainable social development through the power of finance.

Responding to the issues of

- Human capital management
- Promoting rural revitalization
- Contributions to the society

Proportion of female employees:

47.53%

Average training hours per employee:

130.15 hours

Employee training coverage rate:

100%

CHINA GALAXY SECURITIES

Human capital management

CGS's employment scope includes full-time employees who have entered into labor contracts with the Company, as well as personnel who provide services through lawful labor dispatch arrangements and other legally compliant forms of engagement.

Governance

CGS strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other applicable laws and regulations. In accordance with internal policies, including the *Administrative Measures for Employee Recruitment (Revised 2025), Employee Benefits Management Measures, Attendance and Leave Management Measures*, and *Employee Training Management Measures*, CGS has established an employee governance system covering recruitment, employment, training, employee care and occupational health and safety management. The Company safeguards employees' lawful rights and interests and promotes mutual development between employees and CGS.

Governance structure for human capital management of CGS

Supervisory level	Board of Directors	The Board of Directors oversees major employee-related policies, systems and management effectiveness, and incorporates employee-related matters into the corporate governance and internal control supervision framework.
Management level	Executive Committee	The Party Committee and the Executive Committee coordinate employee management-related work, deliberate and review key matters such as workforce development, talent development and employee care, and promote the implementation of relevant decisions.
Executive level	Human Resources Headquarters	The Human Resources Headquarters is responsible for employee recruitment, training, performance evaluation and talent development, and implements employee management policies and systems.
	Party Building Department	The Party Building Work Department is responsible for employee care, ideological guidance and rights protection, organizes corporate culture initiatives and employee care activities, and enhances employee cohesion and sense of belonging.
	Office	The Logistics and Security Division is responsible for employee health and safety management, workplace and logistical support, and the implementation of work safety and occupational health requirements.

Strategy

From a strategic perspective of human capital management, CGS systematically advances coordinated development in employee diversity and inclusion, rights and benefits protection, as well as training and development. The Company continuously optimizes its talent structure and employment environment, stimulates workforce vitality, and consolidates the human capital foundation for high-quality development.

Analysis and strategies for the risks and opportunities of human capital management of CGS

Risk and opportunity type	Time horizon of impacts	Expected financial impacts	Response strategies
Risk of non-compliant employment management	Medium and long term	Compliance costs↑ Operating costs↑	• CGS strengthens the development of a high-quality cadre and talent team through a tiered and categorized training system, to promote the capability enhancement and coordinated development of talents with diverse backgrounds. • CGS reinforces business empowerment to improve core competencies. • The Company promotes a corporate culture to build shared development consensus. • CGS further improves the knowledge management system to support the development of a learning organization. • CGS strictly implements labor-related laws, regulations and internal policies, and standardizes recruitment, contract management, compensation and benefits, attendance and leave management. • The Company improves employee communication and care mechanisms, listens to employee opinions through channels such as the employee representative congress and labor union, to enhance organizational stability. • CGS strengthens employee health and safety management by implementing physical examinations, safety inspections and emergency support measures to reduce employment-related risks and potential costs.
Opportunities for diversified talent utilization	Medium and long term	Operating revenue↑	
Opportunities for upgrading talent capabilities	Medium and long term	Operating revenue↑	

Impacts, Risks, and Opportunities Management

Employee diversity and inclusion

CGS respects employee diversity and is committed to fostering an inclusive and equal-opportunity working environment. The Company strictly complies with applicable laws and regulations in its places of operation and, in accordance with the *Administrative Measures for Recruitment (2025 Revision)* and the *Administrative Measures for Employee Separation (Revised 2025)*, clarifies recruitment and dismissal principles, procedures and conditions.

Measures for employee recruitment and employment management of CGS

Recruitment principles	• CGS adheres to the principles of open recruitment, fair competition, comprehensive assessment and merit-based selection, and prohibits discrimination based on race, gender, religion, social origin or other factors.
Recruitment channels	• The Company adopts multiple recruitment channels, including social recruitment and campus recruitment.
Employee hiring	• CGS prohibits child labor, forced labor, restriction of personal freedom and all other illegal employment practices. • All hired employees enter into a written Labor Contract with the Company in strict accordance with legal requirements, clearly defining the rights and obligations of both parties.
Employee termination	• In accordance with the *Measures for the Administration of Employee Resignation (2025 Revision)*, CGS may terminate the labor contract where an employee seriously violates Company rules and regulations, commits gross negligence, engages in malpractice for personal gain, or causes significant damage to the Company.

Case

CGS organizes company system-wide cross-border management personnel cultural integration training program

In 2025, CGS organized the company system-wide cross-border management personnel multicultural integration training program at Zhejiang University, bringing together management personnel from domestic and overseas subsidiaries as well as relevant business lines. Through thematic lectures, corporate visits and on-site teaching sessions, CGS guided participants to deepen their understanding of different cultural backgrounds and business environments. The Company encouraged employees from domestic and overseas institutions to proactively respect multicultural differences and engage in sincere communication. Through mutual learning and exchange, participants built shared consensus, further strengthened the "ONE CGS" philosophy, and enhanced cross-regional collaboration and cultural integration.



CGS carries out recruitment activities on an ongoing basis in alignment with its development needs, targeting both the general labor market and fresh graduates from universities, thereby actively contributing to high-quality and full employment. With respect to campus recruitment, CGS participates in various university recruitment events and organizes dedicated recruitment presentations at multiple institutions. The Company collaborates with domestic and overseas subsidiaries and branch offices to advance integrated recruitment promotion across the Company and continuously enhance its employer brand influence. By optimizing recruitment processes, expanding publicity channels, deepening cooperation with key universities and promoting university-enterprise collaboration, CGS continuously strengthens its ability to attract outstanding talent.

In addition, CGS actively participated in the "2025 Sparkling Beijing • Future Star" Hong Kong University Students Summer Internship Program organized by the Fengtai District Talent Division, providing three internship positions and jointly building a practical bridge for young Hong Kong talents to gain professional experience in Fengtai.

In 2025, there were no instances of child labor or forced labor in the Company, either domestically or internationally, nor were there any significant legal disputes related to employee employment practices.

Employee diversity performance of CGS in 2025

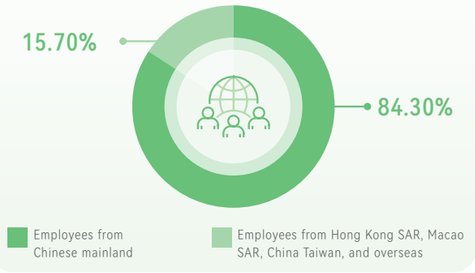
By gender



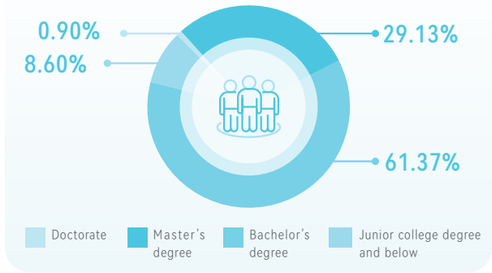
By age group



By region



By education level



Employee rights and benefits

The Company continuously improves the arrangements for employee rights and benefits protection of all its employees (including formal employees who have established labor relations with the Company and dispatched employees who are uniformly managed by the Company in accordance with the law). Guided by internal regulations such as the *Management Measures on Employee Benefits*, the *Management Measures on Attendance and Leave*, and the *Management Measures for "Warmth Sending" by the Labor Union Committee of the Company*, the Company consistently attaches great importance to employee well-being, and adheres to a people-centric philosophy.

In 2025,

the Company actively carried out activities to send warmth and condolences during the New Year's Day and Spring Festival, visiting and consoling a total of **128** workers in difficulty, single-parent female workers in difficulty, and cadres on dispatched and assigned duty.

During the summer, the Company organized the "Yinxiaohe (Little Galaxy)" summer childcare program, serving **120** children of employees.

Measures for employee rights and benefits protection of CGS

Labor employment and working hours	• CGS implements a standard working hour system, with 8 working hours a day and 40 hours a week on average. • Employees are entitled to paid annual leave, maternity leave[1] of 158 days, parenting leave[2] of 5 days, and other types of leave stipulated by national laws and regulations.
Remuneration and incentives	• Employee remuneration is comprised of basic salary, allowances, performance bonuses, and benefits. • Basic salary corresponds to the employee's job level; allowances serve as a supplement to the basic salary; performance bonuses are allocated and granted according to the assessment results.
Social insurance and housing security	• The Company contributes to the five social insurances and one housing fund for employees in accordance with regulations, including basic endowment insurance, basic medical (including maternity) insurance, unemployment insurance, work-related injury insurance, and housing fund.
Supplementary benefits and security arrangements	• The Company provides corporate annuity, supplementary insurance, and other benefits to enhance employees' long-term security capabilities.
Employee care and special-group protection	• The Company carries out assistance for employees in difficulty, holiday condolences, and care for employees with serious illnesses and hospitalizations. • The Company organizes special health check-ups for female employees, protecting their legitimate rights and interests. • The Company establishes a comprehensive service management mechanism for retired employees, providing holiday condolences, health security, supplementary medical and annuity service support.
Family-friendly and cultural welfare	• The Company organizes the "Yinxiaohe (Little Galaxy)" summer childcare program to alleviate the childcare pressure on employees. • The Company organizes cultural and sports activities to enrich employees' spare time.

1 Maternity leave refers to the legally entitled leave for female employees who meet statutory conditions during childbirth, as stipulated in the *Labor Law of the People's Republic of China*, the *Special Provisions on the Labor Protection of Female Employees*, and the regulations on population and family planning of various provinces, autonomous regions, and municipalities directly under the Central Government. The specific number of days is composed of the maternity leave days stipulated by the state and additional reward leaves stipulated by local regulations.

2 Parenting leave refers to a leave arrangement established by some provinces, autonomous regions, and municipalities directly under the Central Government based on local regulations on population and family planning. It is typically applicable to parents with children under three years old and is intended for the care of infants and young children. The applicable scope, duration, and usage of parenting leave are separately stipulated by local policies.

CGS actively promotes democratic communication and management, and established and refines the system of staff congress. When the Company formulates policies and regulations on salary, benefits, labor security and hygiene, social insurances, and other matters concerning employees' immediate interests, the Labor Union asks employee representatives for advice through the workers' congress or email, cares about and attaches importance to employees' reasonable requirements, and puts forth effort to build a communication bridge between employees and the Company.

In 2025, the Company convened the third session of the third staff congress of China Galaxy Securities Co., Ltd., with 106 employee representatives participating. The congress deliberated and approved proposals including the *Measures for Handling Employee Violations of China Galaxy Securities Co., Ltd. (2025 Revision)*.

The Company monitors employee satisfaction and conducts employee satisfaction surveys yearly. In 2025, the Company carried out a survey covering dimensions such as employee rights and well-being, employee development, transparent communication, and compliance trust. Based on the survey results, the Company continuously tracks and analyzes feedback, implements improvement measures, optimizes management practices, and steadily enhances employee satisfaction.

The Company provides continuous employee complaint channels and has formulated and implemented the *Measures for the Handling of Complaints and Accusations by Discipline Inspection Bodies*, the *Administrative Measures for Whistleblowing and Petition Handling in Organizational and Personnel Affairs*, and *the Administrative Measures for Petition Handling*. By establishing the Comprehensive Petition and Whistleblowing Acceptance Platform of China Galaxy Securities, the Company handles employee appeals and whistleblowing reports submitted through letters, calls, visits, online and other channels. The scope of acceptance includes reports and accusations against Party organizations and Party members for violations of the Six Disciplines; issues concerning non-compliance with policies and regulations in cadre selection and appointment; and matters related to leading cadres' political performance, duty fulfillment, work conduct, adherence to organizational rules, and professional ethics, as well as other petition-related matters. The Company strictly enforces confidentiality requirements for whistleblowing, ensuring full-process protection of whistleblowers' identities, report contents, and handling procedures, and prohibiting any disclosure to the reported parties. During the acceptance and investigation process, effective measures are taken to safeguard whistleblower anonymity, with standardized management and secure handling of relevant materials, and no unauthorized external disclosure, thereby protecting the legitimate rights and interests of whistleblowers.

Employee health and safety

The Company closely monitors the physical and mental health and safety of its employees and continuously carries out employee health management. In accordance with the *Guidelines on Safety and Security Work*, the Company clarifies safety responsibilities, ensures operational safety, maintains normal business order, and safeguards the Company's property and the personal safety of the employees.

Measures and results of employee health and safety management of CGS in 2025

Safety Management System Construction

- The Company adheres to the principle of "Prevention First, Combining Prevention and Control," and coordinated the construction of a comprehensive safety protection system.
- The Company achieved zero occurrence of major safety liability accidents in 2025.

Fire and emergency management

- The Company organized 12 emergency drills for part-time safety officers at the headquarters and third-party service teams, covering over 1,000 personnel in training.
- The Company completed annual inspections for 863 fire extinguishers and conducted 7 targeted fire emergency drills.
- The Company carried out 6 company-wide security and fire safety hazard inspections throughout the year.



Upgrading health management services

- The Company provided more than 3,100 medical services in 2025, and conducted special and grouped checkups by age for male and female employees respectively, with the coverage of checkups at the headquarters reaching 100% in 2025.
- The Company completed 501 employee vaccinations, strengthening disease prevention and health protection management.

Catering and public operation safety

- The Company focused on key areas such as canteen gas safety, conducted regular safety inspections and dynamically responded to equipment maintenance needs, ensuring the safety of 900,000 meal services in 2025.

Meanwhile, the Company initiated the development of a headquarters-based first aid system, building a smart first aid system and establishing a volunteer first aid team.

First aid system development achievements of CGS in 2025

Developing a smart first aid system

- The Company has installed 12 first-aid devices and deployed 128 emergency QR codes across four office buildings at its headquarters. The intelligent cabinet system has been integrated into the headquarters' smart first aid network, enabling alerts for abnormalities in various places, online status checking of the devices, etc.
- The Company allocated an additional 25 first-aid devices to branches within the year, bringing the cumulative total to 126 devices, achieving full coverage of first-aid equipment in key provincial cities.

Installing first aid devices





Development of first aid capabilities

- The Company organized the production of micro-videos on first aid knowledge and integrated the courses into the "Galaxy Classroom," offering online training to all employees. The Company established the "Yin Xiao Xia" volunteer team.
- Held two special first-aid drills themed "First Aid by Your Side, Skills Provide Protection" at the Company headquarters, achieving dual improvements in team collaboration and operational standards.
- The Company held 10 first-aid themed drills and public welfare campaigns in cities including Taiyuan and Ji'nan.

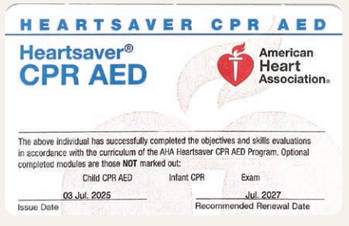
Conducting training for first aid volunteers

- At the headquarters, 136 "Yin Xiao Xia" volunteers completed refresher training and 70 received new training in 2025. Currently, 206 personnel at the headquarters hold AHA certificates, further strengthening the Company's first-aid capabilities.
- Regarding the branches, A "Yin Xiao Xia" first-aid volunteer team of about 1,500 people has been established. In 43 cities, 490 newly recruited "Yin Xiaoxia" volunteers completed their initial offline training, while online refresher training was conducted, and newly onboarded employees were organized to observe and learn.
- The Company organized employees to participate in the American Heart Association (AHA) Heartsaver CPR AED training course, systematically mastering cardiopulmonary resuscitation (CPR) and AED usage skills, and obtaining corresponding training certifications.


HEARTSAVER CPR AED

Training Center Name: Laerdal Medical Hangzhou Co. Ltd.
TC ID #: ZZ20521
TC Info: City, State: Hangzhou, Zhejiang, China
TC Phone: +86 0571 8172 6027
Course Location: AL0096 First RE Shanghai Company
Instructor Name
Inst. ID #: 1904000879
Holder's Signature
AL0096P25-00893

© 2015 American Heart Association Tampering with this card will alter its appearance. 15-1810


HEARTSAVER CPR AED

Heartsaver® CPR AED

American Heart Association.

The above individual has successfully completed the objectives and skills evaluations in accordance with the curriculum of the AHA Heartsaver CPR AED Program. Optional completed modules are those NOT marked out:

Child CPR AED Infant CPR Exam

Issue Date: 03 Jul. 2025
Recommended Renewal Date: Jul. 2027

Employee training and development

In accordance with the *Regulations on Cadre Education and Training* issued by the Central Committee of the CPC, the *National Cadre Education and Training Plan (2023-2027)*, the Company's *Cadre Education and Training Plan (2023-2027)*, and the requirements of the Party Committee, and based on training systems such as the *Party School Management Measures* and *Employee Training Management Measures* as well as the annual training plan, the Company has established a comprehensive, multi-level, and targeted training system for all employees. Relying on platforms such as the CGS Party School and the CGS Classroom, it strengthened the cultivation of professional talents, promoted employees' career development, and enhanced the overall competitiveness of the organization.

Employee training system of CGS



In 2025, the Company systematically advanced its talent development initiatives, reinforcing the training system development to ensure comprehensive coverage for all employees. The training includes programs like leadership training, targeted business training, joint training with external educational institutions, and training for new employees, aligning employee capability growth with the Company's strategic development.

Key employee training tasks and achievements of CGS in 2025

Training system construction and overall implementation	• The Company adhered to the principles of "Strictness in Learning and Quality in the School," promoting the construction of the training system focusing on standardization and quality/efficiency enhancement. • Throughout the year, the Company invested RMB 14.3593 million in training. A total of 31 company-level training sessions were conducted, covering 31,450 participant attendances, alongside 5,750 business-level sessions covering 1,012,233 participant attendances. Total employee training hours reached 1.8559 million hours, achieving 100% training coverage. • The "Galaxy Classroom" launched 64 new projects and 524 new courses throughout the year, with a cumulative learning duration of approximately 280,000 hours; it conducted 277 live-streaming training sessions, covering about 7,000 participants.
Leadership training	• The Company held leadership enhancement training sessions for middle and senior management cadres, training 50 managers. • It focused on the "key minority personnel," conducting 4 centralized training sessions on implementing the spirit of the Central Committee's Eight-point Decision on improving Party and government conduct, covering 299 primary-level party organization secretaries, management personnel, and key position personnel.
Targeted business training	• The Company continuously strengthened the capability building of business backbone personnel, organizing 5 sessions of business backbone training throughout the year, covering the headquarters, 36 branches, and domestic and overseas subsidiaries (including CGS International), training 378 business backbone personnel. • It held the first session of the Company System-wide Backbone Employees' Ideals, Beliefs, and Business Capability Enhancement Training Course at the Jiangxi Executive Leadership Academy, training 79 non-management sequence business backbone employees.
Joint training with external organizations	• The Company carried out joint training programs with external organizations including Tsinghua University, Zhejiang University, Jiangxi Executive Leadership Academy, and Shaoshan Executive Leadership Academy, Hunan. • It held the Company System-wide Cross-Border Management Personnel Cultural Integration Training Course at Zhejiang University, training approximately 40 management personnel from domestic and overseas subsidiaries and relevant lines at the headquarters, promoting multicultural understanding and collaboration. • The Company jointly held the Organization Department Cadres' Party Spirit Cultivation and Business Capability Enhancement Training Course with Shaoshan Executive Leadership Academy, Hunan, training 61 key business employees in non-management positions.
Training for new employees	• The Company constructed an integrated training system for new employees covering new staff, Party members, and overseas returnees. • It conducted 1 session of offline training for new employees, covering 95 fresh graduates, and trained 125 newly joined employees through online courses, solidifying their compliance awareness, professional competence, and business foundation.

Case The Company launched the leadership enhancement training course for middle and senior management personnel

In September 2025, the Company held the Leadership Enhancement Training Course for Middle and Senior Management Personnel at Tsinghua University. The course was hosted by the Galaxy Party School and co-organized by the School of Economics and Management of Tsinghua University. A total of 50 middle and senior management personnel from the Company headquarters, various subsidiaries, and branches participated.



Focusing on themes such as macroeconomic trends, artificial intelligence applications, financial management, sociological perspectives, and marketing strategy, the training combined systematic courses with interactive discussions. It aimed to broaden the strategic vision of management personnel, enhance their comprehensive decision-making capabilities and innovative thinking, thereby solidifying the management foundation for the Company to navigate industry transformations and promote high-quality development.

Case The Company held a company-wide system backbone employees' ideals, beliefs, and business capability enhancement training course (first session)

In April 2025, the Company held the first session of the System Backbone Employees' Ideals, Beliefs, and Business Capability Enhancement Training Course at the Jiangxi Executive Leadership Academy. A total of 79 non-managerial core business staff from branches in Zhejiang, Shanghai, Jiangxi, Ningbo, as well as from Galaxy Futures, Galaxy Jinhui, and related business lines of the headquarters participated in the training.

Through methods including classroom lectures, on-site teaching, scenario experiences, and interactive exchanges, combined with post-training learning outcome sharing and practical application arrangements, the training systematically enhanced participants' business capabilities and comprehensive qualities. This initiative helped solidify the foundation of the backbone employee team, optimized the Company's cadre talent echelon structure, and supported the smooth implementation of the Company's strategic plans.

Case The Company, in collaboration with external organizations, conducted a company-wide system training program for organizational cadres to enhance their Party spirit and professional capabilities

In November 2025, the Company jointly held the Company System Organization Department Cadres' Party Spirit Cultivation and Business Capability Enhancement Training Course with the Hunan Shaoshan Executive Leadership Academy. The participants, totaling 61 people, included cadres and backbone employees engaged in organizational and personnel management work from various main business lines and relevant departments at the headquarters, as well as responsible persons from Category I & II branches and domestic subsidiaries.

Utilizing various forms such as classroom lectures, on-site teaching, and interactive exchanges, the training systematically enhanced the professional capabilities and comprehensive qualities of the participants. It facilitated experience sharing and collaborative interaction between the headquarters and subsidiaries/branches, providing strong support for consolidating the foundation of the Company's organizational talent team development.

Furthermore, to improve employees' professional skills and meet their career development needs, the Company encourages and assists all employees in registering for professional studies and specialized vocational qualification examinations. It has formulated the *Management Measures for Employee Training*, which specifies the reimbursement channels for expenses related to employees' participation in specialized vocational qualification examinations, obtaining relevant qualification certificates, qualification annual inspection fees, and membership fees for certificate holders. In 2025, the Company provided follow-up training for 10,678 securities employees, incurring related expenses of RMB1,388,100.

In terms of performance assessment and promotion, the Company continuously improves employee career development pathways, emphasizing the identification, development, and utilization of high-performing young professionals as a core initiative in talent development. The Company endeavors to refine the mechanisms for competitive selection, transfers, rotations, and exchanges to maximize the impact of positive incentives. The Company gives full play to the role of assessment and has also established a comprehensive performance assessment system covering all employees. At the same time, the Company prioritizes grievance management in performance assessments, ensuring a fair, efficient, and confidential process for addressing employee concerns and providing timely feedback.

Indicators and Targets

The Company continuously monitors human capital management performance and has formulated the 2025 *Annual Training Program*, actively advancing various training initiatives. The Company is also continuously optimizing its performance assessment management to establish a robust cycle of planning, execution, feedback, and improvement, ensuring that employees' skill enhancement and personal career development are aligned with business development needs.

Human capital management indicators and targets of CGS in 2025

Target	Monitoring Indicators	Performance
Continuously monitor the human capital management performance, enhance the systematic level of the training framework, and strengthen core competency building.	Employee turnover rate	13.10%
	Average training hours per employee	130.15 hours
	Attendance of employee training	1,043,683 participations
	Employee training coverage rate	100%

Promoting rural revitalization

China Galaxy Securities adheres to the *Law of the People's Republic of China on the Promotion of Rural Revitalization*, deeply studies and applies the experience of the "Green Rural Revival Program" project, and, based on the development needs of the assisted regions, formulates the 2025 annual assistance work plan. By doing so, CGS actively fulfills its social responsibilities and demonstrates its commitment to serving the country and the people through finance.

In 2025, the Company thoroughly implemented the decisions and deployments of the Party Central Committee, comprehensively implemented General Secretary Xi Jinping's important expositions on the work related to agriculture, rural areas, and farmers ("Three Rural Issues"). Building upon the resource endowments, industrial foundations, and practical needs of the assisted regions, the Company provided all-round support for rural revitalization.

Rural revitalization measures and results of CGS in 2025

In 2025, the Company's total investment in non-repayable assistance amounted to RMB about **11.0507** million, collectively benefiting approximately **120,000** individuals.

The specific projects implemented include:

Industrial support

- The Company aided in the construction of a smart orchard and a disaster prevention and mitigation demonstration base for orchards in Jingning County, Gansu Province; launched the high-speed rail naming train for "Jingning Apple"; and implemented the apple "insurance + futures" project in Jingning County, Gansu Province for eight consecutive years.





- The Company aided in the construction of a beef cattle fattening demonstration base in Jingning County, Gansu Province and provided interest subsidies for beef cattle breeding loans.
- The Company promoted the brand of Baiduo chili peppers in Shibing County, Guizhou Province and implemented the pig "insurance + futures" project.
- The Company implemented the technical transformation project for improving the quality and efficiency of tea in Susong County, Anhui Province.
- The Company implemented the livestock feed price insurance project in Xunhua Salar Autonomous County, Qinghai Province.

Talent support

- The Company dispatched four assistance cadres to Jingning County, Gansu Province.
- The Company dispatched one assistance cadre to Yulu New Village, Dongming County, Shandong Province.
- The Company trained 18,769 person-times of various talents through methods such as "going out," "inviting in," and "sending to the doorstep."

Cultural support

- The Company aided in the construction of the third-phase project of the "Party's Voice Spreading to Thousands of Families" initiative and built a Galaxy Book House in Jingning County, Gansu Province. The Company aided in the construction of a community cultural park in Yulu New Village, Dongming County, Shandong Province.
- The Company renovated the rural cultural activity center in Xunhua Salar Autonomous County, Qinghai Province.
- The Company aided in the construction of a revolutionary culture square in Luohanshan Village, Susong County, Anhui Province.

Ecological support

- The Company paved village lanes, purchased waste treatment equipment, and worked on building a rural revitalization demonstration village in Yangzui Village, Jingning County, Gansu Province.
- The Company implemented the comprehensive utilization demonstration project for rural clean energy.

Organizational support

- The Company jointly launched the initiative "Hundreds of Party Branches Pairing for Joint Development, Hundreds of Party Branches Pairing for Student Support" with Jingning County, Gansu Province and Yulu New Village, Dongming County, Shandong Province. A total of 272 Party branches within the Company system helped strengthen 113 grassroots Party organizations in the assisted regions and cared for 621 individuals facing difficulties.
- Implemented the rural Party organization secretary training project focusing on Party building to promote rural revitalization in Jingning County, Gansu Province.

Educational support

- The Company introduced educational resources from prestigious schools such as Peking University to Jingning County, Gansu Province and aided in the construction of an adolescent mental health service center.
- The Company purchased 400 sets of desks and chairs for the No.4 Middle School in Xunhua Salar Autonomous County, Qinghai Province.
- Galaxy Futures conducted 20 offline sessions of specialized financial knowledge training in key rural revitalization areas such as Shibing, Guizhou, and Mengla, Yunnan, training a total of 1,223 people including local government officials, agricultural enterprises, and farmers, helping to enhance local farmers' risk management awareness.
- Galaxy Futures made a targeted donation of RMB100,000 in assistance funds to Fuping County, Hebei Province, specifically for education support projects in Fuping County.

Medical support

- The Company established a special assistance fund in Jingning County, Gansu Province, implemented the Red Cross emergency rescue training project, and aided in the construction of a Traditional Chinese Medicine health station.
- The Company supported the doctor further training and medical equipment procurement project in Xinghe County, Inner Mongolia Autonomous Region.

Livelihood support

- The Company purchased anti-poverty insurance for the population at risk of falling back into poverty in Jingning County, Gansu Province for six consecutive years.
- The Company carried out the "Warm Winter Campaign," purchasing winter clothing for 500 underprivileged students in Jingning County, Gansu Province.
- The Company supported the property management operations of Yulu New Village in Dongming County, Shandong Province, addressing urgent and practical livelihood needs of local residents.
- The Company constructed agricultural production roads in Shibing County, Guizhou Province.

Consumption support

- The Company supported the compilation of the "Xinhua • China (Jingning) Apple Price Index".
- Throughout the year, the Company purchased and facilitated the sale of agricultural products from formerly impoverished areas worth RMB50.93 million.

Case

The assistance experience with the apple industry of Jingning County, Gansu Province, selected as global best poverty reduction case

In December 2025, the case study titled "Enhancing the Apple Industry to Boost Regional Growth", submitted by the Company, stood out from 840 entries across 40 countries and regions, being included in the 6th Award List of the Global Solicitation on Best Poverty Reduction Practices. This case became the only selected case from the securities industry and was included in the South-South Cooperation Poverty Reduction Knowledge Sharing Platform.

Since initiating designated assistance to Jingning County in 2012, the Company has cumulatively invested RMB250 million in non-repayable assistance funds and introduced an additional RMB450 million in assistance funds. Focusing on the county's competitive apple industry, CGS has supported its high-quality development by strengthening leading enterprises, extending the industrial chain, addressing development gaps and building brand recognition. In 2025, the regional brand value of Jingning Apple reached RMB18.086 billion. The apple industry has become a pillar industry driving farmers' income growth and regional development in Jingning County.





Case

Poverty alleviation cadre honored as an "Advanced Individual in Gansu Province's Rural Revitalization"

Since 2012, the Company has carried out designated assistance work in Jingning County, Gansu Province. By continuously selecting and dispatching cadres to serve in the county, the Company has deeply participated in local poverty alleviation and rural revitalization efforts. By the end of 2025, the Company had cumulatively dispatched 16 assistance cadres to serve in Jingning County. They have assisted local governments in advancing related work in areas such as grassroots governance, industrial development, and public services.

In 2025, Sun Bingxu, the Standing Committee of the CPC Jingning County Committee and Deputy County Governor dispatched by the Company, was honored as an "Advanced Individual in Gansu Province's Rural Revitalization" for his outstanding performance, becoming the only individual in Jingning County to receive this honor. The Company continues to guide its dispatched assistance cadres to uphold the historical commitment embodied in the principle that achievements need not be attributed to oneself, yet one must remain steadfastly committed to contributing to them. CGS encourages them to take root at the grassroots level and serve on the front line, actively supporting Jingning County in securing the victory in poverty alleviation and advancing rural revitalization on an ongoing basis, while providing sustained talent support and organizational assurance for local economic and social development.

Case

The Company advances rural revitalization through the Xing Yao Entrepreneur Office



In September 2025, leveraging the Xing Yao Entrepreneur Office platform, the Company brought financial resources to support rural revitalization by conducting thematic research in Lanzhou, Gansu Province, and Jingning County, Gansu Province, its designated assistance county. Centered on the theme of financial empowerment for local development, CGS worked with experts from the United Nations Development Programme (UNDP) to carry out on-site research in Jingning, examining the practical integration of financial poverty alleviation and ESG principles. Through field visits, the Company reviewed financial support models for local characteristic industry chains, explored sustainable approaches to ecological development, and assessed the impact of cultural brand promotion. CGS actively explored a new pathway for poverty alleviation integrating "finance + industry + public welfare". These efforts demonstrate the role of financial institutions in supporting high-quality county-level economic development in Jingning and consolidating the achievements of poverty alleviation.

Since 2016, Galaxy Futures has carried out more than **1,002** "insurance + futures" projects in more than 660 counties and districts across 29 provinces nationwide,

benefiting over **521,200** agricultural business entities.

The Company was recognized with awards including a Global Best Poverty Reduction Case and a Xinhuanet 2025 Rural Revitalization Practice Case.

Galaxy Futures received

including the Futures Daily "Futures Empowering Industrial Innovation Award,"

the Securities Times "2025 China Outstanding Rural Revitalization Futures Company Jun Ding Award,"

and Fuping County's "Certificate of Honor for Assistance."

a total of **33** honors,

Contributions to the society

China Galaxy Securities consistently fulfills its mission of serving the nation through finance, thoroughly implements the inclusive finance strategy, and leverages the positive impact of "finance + public welfare." It innovatively launched the public welfare brand "Xing Shan Initiative," building the "CGS Xing Shan Platform" to contribute Galaxy's strength to safeguarding people's better lives through diversified public welfare actions that support rural revitalization and care for persons with disabilities.

In 2025,

the Company allocated RMB **12.3018** million to public welfare donations,

provided **5.618** employee volunteer engagements,

and the total hours of employee volunteer service reached **2,547** hours.

Key actions and achievements for social contribution of CGS in 2025

Public welfare and charitable activities

The Company organized the "Voice of Xing Shan" Music Festival and Public Welfare Winter Camp for the second consecutive year. At the beginning of the year, it collaborated with multiple parties including CICC Directly Managed Enterprises, private fund managers, and financial industry peers to jointly support rural aesthetic education. It organized primary and secondary school students from Jingning, Gansu to visit Beijing for experiential activities, pairing exchanges, art performances, and other events.





The Company held 10 first-aid themed drills and public welfare campaigns in cities including Taiyuan, Jinan, Dalian, Xi'an, Xining, Nanning, Zhengzhou, Changsha, Fuzhou, and Chongqing. Over a thousand participants including local industry associations, corporate peers, partners from branches of CIC Directly Managed Enterprises in the same city, and general investors took part.







CGS International launched the "Boundless Art" special art competition targeting beneficiary groups of Singapore's Movement for the Intellectually Disabled of Singapore (MINDS).

Employee volunteering

CGS International implemented the "One Earth Mangrove" project in Indonesia, partnering with local public welfare organizations for mangrove ecological restoration, and gained support from the local stock exchange. In 2025, an additional 2,500 trees were planted. Since 2022, a cumulative total of 11,100 trees have been planted, covering 8 provinces and 10 locations.





Galaxy Futures participated in the volunteer activity "Guard the Beauty of Xianyue Mountain," putting green environmental concepts into practice and actively shouldering the responsibility of Party members for public convenience services.

Across four countries – Singapore, Malaysia, Indonesia, and Thailand – a total of 540 employees of CGS International engaged in environmental protection and social welfare causes, with cumulative volunteer service hours reaching 1,560 hours.



05

Building a Firm Foundation of Governance to Safeguard the Robust Long-Term Development of CGS



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Corresponding UN Sustainable Development Goals

China Galaxy Securities adheres to Party-building leadership in corporate governance, integrates the construction of industry culture into the whole process of operation and management. While consolidating the foundation of compliant operation, it improves the comprehensive risk management system, systematically promotes the management of Integrity practice and anti-corruption, and anti-money-laundering and anti-unfair competition, continuously improves the standardization of corporate governance and the stability of operation, and helps the company achieve sustainable development.

Responding to the issues of

- Corporate governance
- Industry culture building
- Compliant operation
- Comprehensive risk management
- Integrity practice and anti-corruption
- Anti-money laundering
- Anti-unfair competition

The proportion of female directors reached

30%

Honored for the third consecutive year with the

"Best Practice Case of Board of Directors"

by the China Association for Public Companies

The total annual dividend reached approximately

RMB 3.51 billion

CHINA GALAXY SECURITIES

Corporate governance

Governance

China Galaxy Securities has established a robust, standardized, and scientifically sound corporate governance framework, comprising the Shareholders' Meeting, the Board of Directors, and the Executive Committee, in strict compliance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other relevant laws, regulations, and normative documents. This framework ensures a well-defined division of responsibilities and standardized operations among the governing bodies, decision-making authorities, and management, giving rise to a coordinated and mutually balanced corporate governance mechanism.

The Company has established and continuously improves internal regulations, notably the *Articles of Association*, which clearly delineate the authorities and responsibilities of the Board of Directors and management, thereby ensuring robust mechanisms for effective corporate governance and internal control.

Strategy

As a company listed in both Hong Kong and Shanghai and registered in the Chinese mainland, the Company rigorously adheres to the legal, regulatory, and normative requirements of its listing jurisdictions and domestic authorities. The Company continuously identifies, assesses, and manages the risks associated with corporate governance. By refining its governance system to align with both domestic and international regulatory standards, the Company enhances its standardized and scientifically grounded operational and managerial practices, dedicated to maintaining the Company's favorable social reputation.

Risk analysis and strategies related to corporate governance of CGS

Risk type	Time horizon of impacts	Expected financial impacts	Response strategies
Liability risk	Medium and long term	Compliance costs ↑ Operating revenue ↓	• **Standard operations:** Continuously monitor domestic and international regulatory requirements and peer governance practices, improve the corporate governance structure and related institutional arrangements, and refine the internal control, risk management, and compliance management systems.
			• **Directors' performance of duties:** Strengthen the responsibility of the "key minority personnel" such as directors and senior management, enhancing the standardization and effectiveness of their performance.
Reputational risk	Medium and long term	Operating revenue ↓	• **Information disclosure and protection of shareholders' rights and interests:** Strictly implement the responsibility of information disclosure, improve the mechanisms for information disclosure and investor relations management, and safeguard the legitimate rights and interests of shareholders in accordance with the law.

Impacts, Risks, and Opportunities Management

The Company is committed to integrating the strengthening of Party leadership with the enhancement of corporate governance, in pursuit of organic alignment, unified advancement, and coordinated synergy. In 2025, the Company closely adhered to the requirements of the new "National Nine Articles" and the "1+N" supporting policies issued by China Securities Regulatory Commission. It actively implemented the *Initiative on Launching the "Enhancing Quality, Boosting Efficiency, and Prioritizing Returns" Special Campaign for Shanghai-listed Companies* of the Shanghai Stock Exchange. Centering on key areas such as leveraging Party building as a guiding force, ensuring effective performance by directors, and safeguarding shareholder rights and interests, the Company continued to improve its corporate governance mechanism, promoted high-quality development and enhanced investment value, and earnestly protected the legitimate rights and interests of investors, particularly small and medium-sized investors.

Party building as a guiding force

The Company adheres to the guidance of Party building in charting the course for development, prioritizing the Party's political development, and continuously promoting the deep integration of Party leadership with corporate governance. The Party Committee of the Company focuses on implementing the Party's organizational line for the new era, firmly establishing the correct orientation in selecting and appointing personnel and upholding sound principles for evaluating performance and achievements. The Company comprehensively strengthens the development of leadership teams and the cadre and talent workforce, laying a solid organizational foundation for corporate governance and high-quality development.

In advancing the integration of Party building and business operations, the Company explores ways to combine grassroots Party building with key business activities and special initiatives. CGS promotes the "last mile" of integration between Party building and business through approaches such as the "Party group +" model, facilitating the transformation of Party building strengths into governance effectiveness and development momentum. At the same time, the Company persists in managing and governing the Party with a reform spirit and strict standards, rigorously implements the spirit of the Central Committee's eight-point decision on improving Party and government conduct and its detailed rules, deepens the construction of "Clean Galaxy," continuously advances the normalization and long-term effectiveness of work style construction, and advances the integration of deterrence, prevention, and non-willingness to engage in corruption, fostering a clean and upright political ecosystem and an environment conducive to entrepreneurship and achievement.

In 2025, the Party Committee of the Company convened 51 Party Committee meetings, two enlarged Party Committee meetings, and three special Party Committee meetings, reviewing and deciding on 807 matters related to Party building, business operations, and management. During the year, the Company also conducted 48 "First Topic" study sessions and 23 meetings of the theoretical study group of the Party Committee, reviewing and communicating 446 documents.

As of the end of 2025

The Company had established eight primary-level Party committees (including the Party Committee of the headquarters), 29 general Party branches (including the General Party Branch of the Investment Banking Committee), and 362 primary-level Party branches (including the CGS International Party branch under dual leadership), with a total of **3,968** Party members.

In 2025

The Company admitted **116** probationary Party members and completed the confirmation of full Party membership for **116** probationary members.

CGS organized **55** sessions of Party member education and training across **23** categories, covering **30,000** participant attendances and totaling **220,000** training hours.

Performance of duties by the Board of Directors

The Company strictly complies with the requirements of the *current Company Law of the People's Republic of China*, the latest regulatory rules and the corporate governance system, and solidly promotes efficient and standardized operation of the Board of Directors and enhances the effectiveness of corporate governance.

Corporate governance measures of CGS in 2025

Field	Policy and implementation
Efficient duty performance of the Board of Directors	• Directors are elected and removed in accordance with the provisions of the *Articles of Association*. Each director serves a term of three years and is eligible for re-election. • The term of an independent director may be renewed upon expiration, provided that the consecutive term of office shall not exceed 6 years. If an independent director has served for a full consecutive term of 6 years, he/she shall not be nominated as a candidate for independent director within 36 months from the date of such occurrence. • The convening, convening procedures and voting procedures of general meetings and the meetings of the Board of Directors are lawful and effective, and the corporate governance of the Company is scientific, rigorous and standardized. • Upon deliberation and approval at the Company's second extraordinary general meeting of shareholders in 2025, CGS abolished the Supervisory Committee and its specialized committees. The statutory functions of the former Supervisory Committee were assumed by the Audit Committee of the Board of Directors, facilitating the orderly integration of supervisory functions into the Board governance framework.
The Board of Directors' training	• The Board of Directors fulfills its responsibilities in compliance with the *Articles of Association, the Rules of Procedure for the Board of Directors*, and other relevant policies. In 2025, focusing on corporate governance, compliant operation, and regulatory requirements, the Company continued to strengthen the duty performance training and normative guidance for the "key minority personnel," including directors and senior management. Through thematic study sessions and other methods, it reinforced their awareness of performing duties in accordance with the law and compliance.
Independence of the Board of Directors	• Neither non-executive directors nor independent non-executive directors participate in the actual operation of the company and are independent of the management. • The Company's controlling shareholders exercised their rights in accordance with the law through general meetings, maintaining independence from the Company in areas like assets, personnel, finance, organizational structure, and business operations, ensuring the Board operates independently in accordance with the law. • The Company continuously implemented the requirements of the independent director system reform, refining and standardizing the deliberation and decision-making procedures for independent director meetings. These efforts improved the efficiency and scientific decision-making capabilities of these meetings, enabling independent directors to play a more effective role in corporate governance and supervision. • The Company organized self-assessments of the independence of independent directors in accordance with regulatory requirements and formed specific opinions. It clarified the conditions for independent directors to perform their duties independently, providing institutional safeguards for their lawful, independent, and full participation in corporate governance and supervision.
Diversification of the Board of Directors	• The Company formulated a board diversity policy, comprehensively considering multiple facets of diversity among directors, encompassing gender, age, cultural and educational backgrounds, professional experience, skills, knowledge, and length of service, among others. The Nomination and Remuneration Committee is responsible for monitoring the execution of this policy and conducting periodic evaluations to assess its efficacy.
Performance assessment and incentive and disciplinary mechanism for directors and senior management	• The annual remuneration for directors and senior management respectively deliberated and determined by the Shareholders' Meeting and the Board of Directors in accordance with the law. Pursuant to the *Articles of Association* and the *Rules of Procedure for the Board of Directors*, the Board of Directors proposes the salary amounts and distribution methods for directors and submits them to the general meeting of shareholders for review. At the same time, the Board of Directors provides a special explanation to the general meeting of shareholders regarding the performance of duties, performance assessment, and salary of senior management, ensuring that the salary decision-making process is standardized and the rights and responsibilities are clear. • The Company continued to strengthen the standardized management of shareholding and its changes by directors and senior management. The Board of Directors fulfills its supervisory and management responsibilities in accordance with its duties, and prevents conflicts of interest through internal approval, compliance review, and information disclosure mechanisms, safeguarding the interests of the Company and its shareholders. • The performance-based remuneration of the Chairman and senior management, including the President, is paid in accordance with regulatory requirements and other stipulations.

Information disclosure and protection of shareholders' rights and interests

"Investor-centric" information disclosure represents a crucial embodiment of the Company's commitment to the "people-centric" principle in financial operations. As a dual-listed enterprise in Shanghai and Hong Kong, the Company upholds the principle of "high-quality information disclosure." It strictly complies with the relevant laws and regulations of its listing jurisdictions and adheres to the principles of "truthfulness, accuracy, completeness, timeliness, and fairness" in its disclosure practices. The Company makes continuous efforts to enhance the effectiveness and transparency of its information disclosure to effectively safeguard investors' right to know.

Building on its statutory information disclosure obligations, the Company actively explores and gradually strengthens voluntary information disclosure tailored to investor needs, facilitating informed investment decisions made by investors and value assessments. By improving voluntary disclosure, the Company further enhances its transparency.

The Company has continuously refined its investor relations management system, categorizing the relations based on regularity, periodicity, and initiative. The Company has enhanced offline and online investor relations activities, including investor visits, analyst research, and engagement through the Company's official website, hotline, public email addresses, and the "e-Interaction platform of Shanghai Stock Exchange", to improve communication efficiency with investors. The Company promptly addresses investors' concerns and actively communicates its value by holding regular performance briefings and occasional roadshows, enriching a deeper understanding of the Company's operations among investors.

The Company has firmly established a commitment to shareholder returns, prioritizing the creation of a "long-term, stable, and sustainable" shareholder value return mechanism, ensuring continuity and stability in its profit distribution policy. Meanwhile, in 2025, the Company fully repaid the principal and interest of all maturing bonds and made timely and complete interest payments for other bonds that had not yet matured, thereby effectively safeguarding the interests of its creditors.

Indicators and Targets

With the goal of "building an excellent, sound and efficient corporate governance mechanism," the Company has formulated monitoring indicators and continuously tracked the progress of the implementation of the goal.

Corporate governance-related performance of CGS in 2025

Sector	Indicators and performance results in 2025
Governance structure and operating mechanism	• As of the end of 2025, the Company's Board of Directors had a total of 10 directors, including 2 executive directors, 4 non-executive directors, and 4 independent non-executive directors. • In 2025, the Company had 3 female directors, accounting for 30% of the total. • In line with regulatory requirements and the Company's governance realities, it systematically revised and improved 7 corporate governance documents including the *Articles of Association* and related governance policies. • The training for the Board of Directors covered key areas including ESG policy trends, related-party transaction management, compliance management, and integrity practice and anti-corruption, with a training coverage rate of 100%.
Operation of the Shareholders' Meeting and the Board of Directors	• The general meeting of shareholders was held 3 times, and 15 items were deliberated. • The Board of Directors' meetings were held 9 times, 47 items were deliberated, and the attendance rate of directors was 100%. • The meetings of the specialized committees of the Board of Directors were held 22 times, and all major resolution items were effectively implemented.
Performance and supervision of independent directors	• As of the end of 2025, independent directors accounted for 40%, and the proportion of independent directors on the Audit Committee was 100%. • Two independent director meetings were convened, and a total of 2 proposals were deliberated.
Information disclosure and transparency management	• In 2025, the Company released 173 A-share and H-share announcements.
Investor relations and communication services	• In 2025, the Company organized 3 performance briefings for all investors, facilitated 8 large-scale and 37 small-scale analyst research meetings with domestic and international analysts, engaged in nearly a hundred-participant communication activities between analysts and investors, and promptly responded to 14 investor inquiries on the "e-Interaction platform of Shanghai Stock Exchange".
Shareholder return and value management	• The Company maintained the continuity and stability of its profit distribution policy, implemented cash dividends twice within the year, with a total dividend amount of approximately RMB3.51 billion, continuously enhancing long-term value returns to shareholders.

In 2025, the Company was honored for the third consecutive year with the "Best Practice Case of Boards of Directors" by the China Association for Public Companies.

For more details on the management of corporate governance issues, please refer to the "*Corporate Governance, Environment and Society*" section of the *2025 Annual Report of China Galaxy Securities Co., Ltd*.

Industry culture building

A robust cultural ecosystem serves as the cornerstone and driving force for the healthy, high-quality, and sustainable development of the securities industry.

CGS adheres to Xi Jinping Thought on Culture as its guiding principle, upholds its original aspiration and mission of serving the country and the people through finance, and actively practices the securities industry culture of "compliance, integrity, professionalism and prudence". The Company has refreshed the "ONE CGS" cultural philosophy system and fostered a CGS culture with distinctive characteristics of the securities industry. By upholding fundamental principles and pursuing solid implementation, CGS promotes the effective application of financial culture with Chinese characteristics, providing strong cultural support for high-quality corporate development.

Organizational structure of CGS industry culture building

Leadership level	Be responsible for overall leadership and coordination of the Company's culture building work, ensuring orderly implementation of related tasks	Leading Group of Culture Building
Promotion level	19 member units, including the Party-building Work Department, are responsible for specific coordination and organization and promote the Company's cultural building-related work.	Member units of the Leading Group of Culture Building
Practice level	Fully participate in all aspects of the Company's culture building work, practicing the cultural philosophy	Headquarters departments; Branches; Subsidiaries; All employees of the Company

In 2025, the Company adhered to the working approach of "Party-building leadership and cultural empowerment", thoroughly implemented financial culture with Chinese characteristics, and innovatively constructed a culture building model of "Deepening Cultural Genes – Dedicating to Cultural Practice – Empowering Strategic Implementation."

Key industry culture building initiatives Carried Out by CGS in 2025

Implementing Xi Jinping's Thought on Culture and promoting financial culture with Chinese characteristics

- Issued and implemented the work plan for promoting and studying the *Outline for Studying Xi Jinping's Thought on Culture*, guiding primary-level Party organizations and all employees to implement relevant requirements in practical work.
- The Company continuously integrated financial culture with Chinese characteristics into corporate governance, development strategy, development approaches and codes of conduct.

Revitalizing the cultural philosophy framework and building consensus among all employees

- On the occasion of the Company's 25th anniversary, revitalized and released the "ONE CGS" cultural philosophy framework.
- Deployed and carried out the distinctive cultural activity "Twenty-Five Years of Glory, Unchanged Original Aspiration – Promoting Culture and Industry, Co-creating a New Chapter" across the Company, promoting the internalization and externalization of cultural concepts.

Activating the cultural empowerment engine to promote the Company's steady and long-term development

- Improved the culture building model of "Deepening Cultural Genes – Dedicating to Cultural Practice – Empowering Strategic Implementation."
- Adhered to the principle of "one theme per year" to carry out cultural empowerment activities, leveraging the effectiveness of culture building to drive the achievement of strategic objectives.

In 2025, the Company:

Was honored the Golden Bull Award for Culture Building of Securities Companies.

Has been awarded the highest AA rating in the industry's culture building practice evaluation for four consecutive years.

For more details on the management of industry culture building issues, please refer to the *CGS Culture Building Practice Report in 2025* to be released on the Company's official website later.

Compliant operation

Governance

China Galaxy Securities strictly abides by the *Securities Law of the People's Republic of China,* the *Regulations on the Categorized Supervision of Securities Companies,* the *Compliance Management Measures of Securities Companies and Securities Investment Fund Management Companies* and other laws and regulations, and has formulated systems such as the *Compliance Management Regulations,* the *Code of Compliance of the Company and the Administrative Measures for Information Barrier Management,* ensuring the effective operation of the Company's compliance management system.

The Company has established a multi-dimensional compliance governance framework with the Board of Directors as the highest decision-making body, the management responsible for execution, the Compliance Director and the Legal and Compliance Headquarters overseeing overall management, and full participation from all business departments and branches. This framework integrates subsidiaries at all levels under unified management while accommodating differentiated requirements across domestic and international jurisdictions, forming a "comprehensive and thorough" compliance management system.

Compliance governance structure of CGS

Supervisory level	Board of Directors Compliance and Risk Management Committee	• Determine the Company's compliance management objectives and assume responsibility for the effectiveness of compliance management.
Management level	Chief Compliance Officer	• Be responsible for the implementation of compliance management objectives, accountable for compliance operations, and directly responsible to the Board of Directors.
Executive level	Legal and Compliance Headquarters	• Be responsible to the Compliance Director, reporting to the Compliance Director and assisting the Compliance Director in compliance management. It dispatches regional compliance specialists to branches for compliance oversight.
	Heads of subordinate units (business lines, departments, branches, and subsidiaries)	• Be responsible for the implementation of the compliance management objectives of their own units and accountable for the compliance operation of their own units.
	All employees	• Comply with the laws, regulations and guidelines related to their practice and take responsibility for the compliance of their practice.

Regarding the assessment of compliance management personnel, full-time compliance management personnel are assessed by the Compliance Director. For part-time compliance management personnel assessment, the Compliance Director's evaluation carries a weight of 55% in the overall assessment. Compliance management personnel of business departments shall be responsible for and report to the head of their departments and report to the Compliance Director.

Strategy

Faced with an increasingly strict and complex regulatory environment, frequent regulatory penalties, and the inherent need for its own high-quality development, China Galaxy Securities proactively adapts and seeks change. Guided by the compliance management approach of "aligning with regulatory requirements, benchmarking against industry peers, and closely following business development," the Company continues to strengthen forward-looking, penetrating, and precise compliance management.

Risk analysis and strategies for compliant operation of CGS

Risk type	Time horizon of impacts	Expected financial impacts	Response strategies
Policy risk	Medium and long term	Compliance costs ↑	• Uphold the bottom line, and adhere to the principles of "forward-looking management, thorough management, and precise management." • Empower with professionalism, and fully support the high-quality development of the Company.
Compliance risk	Medium and long term	Compliance costs ↑	
Reputational risk	Medium and long term	Operating revenue ↓	
Operational risk	Medium and long term	Operating revenue ↓	

Impacts, Risks, and Opportunities Management

In 2025, the Company revised documents including the *Detailed Rules for the Implementation of the Compliance Management of Program Trading* to strengthen the standardized management of compliance operation. At the same time, the Company established a compliance risk management system covering the entire process, all businesses, and all levels, forming a dynamic closed-loop management process of "identification – assessment–monitoring – response – improvement," and continuously identifies and responds to the impacts, risks and opportunities related to compliant operation.

Compliance risk management process of CGS

Process	Specific practices
Identification	• The Company systematically identifies various compliance risks through methods such as compliance and internal control inspections, business-specific compliance checks, and anti-money laundering special inspections, covering headquarters departments, branches, and relevant subsidiaries.
Assessment	• The Company conducts an annual effectiveness evaluation of the compliance management system to review its operation; concurrently, engages an external institution at least once every three years to conduct a comprehensive and independent assessment of the Company's compliance management system.
Monitoring	• The Company relies on information systems to conduct daily compliance monitoring, continuously overseeing employee investment behavior, communication behavior, and client trading activities.
Response	• The Company promptly organizes rectification, clarifying responsible entities and rectification requirements, and adopts targeted measures to resolve compliance risks. In addition, it utilizes supervision and accountability mechanisms to handle violations seriously, creating an effective deterrent.
Improvement	• The Company adheres to the principle of learning from one case to prevent others and filling gaps, continuously optimizing compliance management mechanisms and business processes. Concurrently advances the upgrading of compliance monitoring systems and the application of big data analysis, continuously enhancing the efficiency and precision of compliance management.

In 2025, the Company comprehensively deepened compliance management. Through measures including business compliance management, subsidiary compliance management, compliance team building, and compliance culture development, it strengthened the Company's capabilities in preventing compliance management risks.

Key compliance management initiatives and achievements of CGS in 2025

Strengthening compliance inspections

- The Company proactively assessed regulatory and market focus areas, conducting sustained, precise, and thorough inspections, forming a closed loop of "inspection-rectification-improvement." The inspections covered areas including investment banking, research, bond investments, yield-enhancing products, over-the-counter derivatives, custody services, branches, private equity and alternative investment subsidiaries. These efforts timely identified potential risks and worked towards their full resolution, striving to eliminate compliance risk hazards.

Compliance management of subsidiaries

- The Company strengthens penetrating compliance management over its subsidiaries by focusing on key matters and enhancing guidance and supervision of subsidiaries' own compliance management. In 2025, key initiatives included revising compliance management plans for domestic subsidiaries and conducting a series of specialized compliance training sessions on cross-border business.

Case prevention and control management

- The Company effectively integrated case prevention and control resources and channels, establishing a comprehensive legal awareness system under the "Fa Run Yin He" (Legal Nurtures Galaxy) brand. This system features a "1+4" brand matrix centered around "New Laws Express," "Case Alerts," "Consultation Q&A," and "Case Prevention Training."
- In terms of case prevention communication, CGS enriched application scenarios, steadily improved the precision and relevance of content supply, and enhanced the proactive case prevention capabilities of the first line of defense.
- In case prevention training, the Company promoted prevention through training and continuously strengthened the effectiveness of front-end case prevention and control functions.
- In case prevention inspections, CGS promoted management through review, deepened coordination, and gave full play to the long-term mechanism for case risk screening.

Compliance team building

- The Company issued the *Regional Compliance Specialist 2025 Compliance Management Work Plan*, standardizing frontline compliance review, risk handling, and regulatory liaison protocols across branches to achieve horizontal communication within the team, with business departments, and with regulatory bodies.
- Building on institutionalization as the foundational support and standardization as the core driver, the Company achieved standardized and unified management of regional compliance specialists.
- By refining specific regulations for compliance review, inspection, training, consultation, and reporting, the Company connected the vertical chain from headquarters to regions to branches.

Compliance culture building

- Since 2023, the Company has continuously developed and regularly published the quarterly journal *CGS Compliance Window.* As of now, a total of 11 issues have been released, including four issues published in 2025. The journal has become a distinctive cultural platform for promoting the Company's compliance philosophy.
- It continuously submitted training courses to the association. A number of employees served as lecturers for training courses of the Securities Association of China, having launched multiple courses cumulatively. These industry training sessions covered topics such as compliance management, amplifying CGS's voice of compliance.
- The Company's headquarters organized 70 various compliance training sessions, conducted 12 micro-course compliance trainings, issued 126 compliance reminders and practice guidelines, and distributed 48 weekly issues of the *Securities Industry Regulatory Case Weekly Report* to all staff, cumulatively pushing 428 regulatory cases to enhance overall compliance awareness in business operations.
- The Company organized a specialized online training titled *2025 Employee Investment Behavior Compliance Training and Case Alerts* for all employees. The training focused on prohibited investment behaviors, declaration requirements for investment activities, handling of employee violations, and warnings from typical cases, further strengthening employees' compliance awareness and behavioral boundaries.

The Company has established an independent internal audit system implemented by the Audit Headquarters. Under the leadership of the Party Committee and the Board of Directors, it conducts audits of various departments, branches, and subsidiaries according to the annual plan. Key business and high-risk areas are covered in principle annually, while other areas are fully covered within three to five years. Audit content encompasses compliance operations, employee duty performance and business ethics, anti-corruption risks, information security and personal information protection, and the authenticity of financial information. The Company concurrently conducts special audits on information technology and privacy protection and implements follow-up accountability for audit rectifications.

Indicators and Targets

The Company adheres to the goal of enhancing the forward-looking, penetrating, and effective nature of compliance management. It continuously strengthens compliance control over key businesses, key institutions, and critical personnel. Utilizing mechanisms like "pre-inspection linkage and preliminary handling" as a lever, it fully exerts subjective initiative to provide strong safeguards for the Company's stable operation and high-quality development.

Compliance operation targets and completion status of CGS in 2025

Target	Progress in 2025
No major violations related to compliant operations occurring	No major illegal or non-compliant incidents such as insider trading, market manipulation, or concealed credit trading occurred.
Strengthening compliance awareness among all employees	The Company's headquarters organized 50 various compliance training sessions. Through multi-level, regular compliance training and case-based warning education, continuously improved employees' compliance capability in performing their duties.

Comprehensive risk management

Governance

China Galaxy Securities strictly complies with the *Securities Law of the People's Republic of China,* the *Comprehensive Risk Management Standard for Securities Companies,* the *Measures for Management of Risk Control Indicators of Securities Companies* and other laws, regulations and management rules. It revised systems including the *Comprehensive Risk Management Policy,* the *Measures for the Management of Asset Risk Classification*, and the *Measures for the Vertical Risk Management of Subsidiaries*, further standardizing the Company's comprehensive risk management work.

The Company has established a well-structured risk management framework with clear delineation of responsibilities, specifying the roles of the Board of Directors, Compliance and Risk Management Committee, Executive Committee, Chief Risk Officer, as well as relevant departments, branches and subsidiaries, risk management units, and audit departments in comprehensive risk management.

Furthermore, the Company has established a performance assessment and accountability mechanism tied to the efficacy of risk management, safeguarding the effectiveness of its comprehensive risk management.

Comprehensive risk management governance structure of CGS

Supervisory level	Board of Directors Compliance and Risk Management Committee	Compliance and Risk Management Committee reviews the Company's risk management objectives and basic policies, and the Board of Directors is responsible for ensuring the effectiveness of risk management.
Management level	Executive Committee Risk Management Committee	Implement overall management of the Company's operational risks, and deliberates and makes decisions on major risk management matters.
	Chief Risk Officer (CRO)	The Chief Risk Officer is the senior executive responsible for the Company's comprehensive risk management, organizing the identification, assessment, monitoring, and reporting of overall company risks and various specific risk types.
Executive level	Risk Management Department	Under the leadership of the CRO, promote risk management work, coordinate the management of risks faced by the Company, and assist, guide, and check the risk management work of each department, branch, and subsidiary.
	Heads of subordinate units (business lines, departments, branches, and subsidiaries)	Responsible for the implementation of the risk management objectives of their own unit and accountable for the risk management of their own unit.
	All employees	Under the Company's unified risk management system, follow risk management policies and operational norms, proactively identify, report, and prevent job-related risks, and cooperate in implementing various risk control measures.

Strategy

The Company focuses on key risk types, including market risk, credit risk, liquidity risk. The Company has established a comprehensive risk management system, forming control mechanisms that cover all business units, risk management functions, and audit departments, while continuously improving its risk response strategies.

Main risk analysis and response strategies for comprehensive risk management of CGS

Risk type	Time horizon of impacts	Expected financial impacts	Response strategies
Market risk Credit risk Liquidity risk Compliance risk and money laundering risk Reputational risk Country and geopolitical risk Concentration risk	Short, medium, and long term	Operating revenue ↓ Portfolio value ↓ Operating costs ↑	• The Company has formulated risk management strategic plans for the new development stage, adhering to a prudent risk appetite. • The Company has fully implemented the principles of "full coverage, penetration, and forward-looking," continuously building and improving a comprehensive risk management system that meets the requirements of a modern investment bank. • The Company has enhanced the refined management of risks in key areas and key businesses, strengthening risk control empowerment in serving the real economy and national strategies. • The Company has strictly managed the risk levels of various businesses, improve the integrated domestic and international risk management system, increase resource investment in risk system construction, and fully empower risk management.

Impacts, Risks, and Opportunities Management

China Galaxy Securities formulates and continuously improves its risk management system, clearly defining the objectives, principles, organizational structure, authorization framework, relevant responsibilities, and fundamental procedures of risk management. For different risk types, it establishes operational methods and processes for risk identification, assessment, monitoring, response, and reporting to ensure the implementation of the risk management system.

Comprehensive risk management process of CGS

Risk identification	The Company comprehensively, systematically, and continuously collects and analyzes internal and external information that may impact the achievement of its operational objectives to identify the risks it faces, including their sources, characteristics, formation conditions, and potential impact. Related information is then categorized by business, department, and risk type.
Risk assessment	The Company has established a risk indicator system encompassing risk tolerance and risk limits. This system leverages stress tests and other methodologies to quantify risks, evaluate tolerance levels, and guide resource allocation.
Risk Monitoring	The risk indicators, once approved by the Board of Directors, the Executive Committee, or their authorized entities, are meticulously broken down and assigned to each department, branch, and subsidiary. The Company subsequently monitors and manages the implementation of these disaggregated indicators.
Risk Response	Based on the results of risk assessment and early warnings, the Company selects response strategies aligned with its risk appetite, such as risk avoidance, reduction, transfer, and acceptance. It establishes reasonable and effective response mechanisms including asset impairment provisions, risk hedging, capital replenishment, scale adjustments, and asset-liability management.
Risk Report	The risk indicators are approved and implemented by the Board of Directors, the Executive Committee, or their authorized entities. The company manages the relevant implementation and uses it to guide resource allocation and risk management decisions.

In 2025, the Company continued to refine its risk management systems and indicator framework, promoted the integration of risk management across subsidiaries, and employed multiple measures to advance the implementation of comprehensive risk management.

Key initiatives for comprehensive risk management of CGS in 2025

Strengthen risk quantification and forward-looking response capabilities	• The Company has continuously improved the risk quantification monitoring and limit management system to enhance the identification and response capabilities for extreme scenarios and sudden risks. • It has strengthened forward-looking analysis and judgment of the macroeconomic environment and market changes, and dynamically optimized risk response plans and management strategies.
Enhance market and investment-related risk control levels	• The Company has proactively managed risks in fixed-income businesses within a low-interest-rate environment by dynamically adjusting the investment portfolio structure. • It has strengthened risk monitoring and limit management for equity investments, equity investments, and over-the-counter derivatives businesses, flexibly optimizing risk control strategies. • It has also enhanced full-process risk management for derivatives businesses, improving the ability to identify and control risks associated with complex products.
Solidify credit risk and investment banking collaborative management	• The Company has advanced the construction of an active rating system covering the entire market and achieved its group-wide application to strengthen front-end identification of credit risks. • It has strictly managed the access for financing-related businesses and deepen regular risk inspections in key areas and for key projects. • It has improved the intelligent risk early warning system and strengthen credit risk control under the collaboration of investment banking and investment businesses.
Deepen operational risk and internal control management	• The Company has continuously optimized the operational risk management mechanism, improving institutional processes and job-specific risk prevention and control requirements. • Focusing on areas prone to risks, the Company has organized and conducted special inspections and rectifications to enhance operational risk prevention capabilities.
Advance integrated domestic and international risk management	• The Company has established front-end control mechanisms for overseas risks and decision-making mechanisms for limit-exceeding matters, strengthening collaboration between the parent and subsidiaries, as well as between domestic and international operations. • It has systematically investigated local risks in overseas jurisdictions, improving mechanisms for controlling client concentration, counterparty risks, and major project processes. • It has optimized the overseas risk control framework, improved the mechanisms for managing exchange rate risk, liquidity risk, and the full lifecycle of derivatives businesses, and unified group-wide control standards for derivatives operations.
Strengthen risk management capabilities and talent development	• The Company organized business continuity management and basic risk management training for all employees to solidify enterprise-wide risk awareness. • It has conducted specialized training on risk management systems and key practical points for critical business areas such as investment banking to enhance professional risk management capabilities.

Focusing on the comprehensive risk management system development, the Company, while continuously improving system and process controls, prioritizes risk management capability building as a key driver for system implementation. Through training arrangements for all employees, it strengthens the systematic understanding and execution capabilities regarding market volatility, business continuity, and risks in key business areas. This enhances the comprehensive response level to extreme scenarios and unexpected events, promoting the effective implementation of risk management requirements across all business lines and operational stages.

Case

The Company provided training on the implementation of the comprehensive risk management system and risk prevention and control of key businesses

In 2025, to strengthen the implementation of comprehensive risk management requirements and enhance the risk prevention and control capabilities of all employees, China Galaxy Securities conducted specialized training on business continuity management and investment banking business risk management.

The Company organized online training on the basic business continuity system for all employees, systematically interpreting the business continuity management framework and regulatory requirements. Combined with typical case analysis to explain key practical points, it strengthened all employees' awareness of market risk prevention. For the investment banking business line, the Company organized and implemented training on interpreting key points of the risk management system for investment banking business. This focused on enhancing business and internal control personnel's understanding and execution capabilities of system requirements, promoting the standardized implementation of detailed risk management rules in daily operations.



Meanwhile, the Company continuously advanced the construction of its risk management information system and intelligent risk control capabilities. Using the information system as the foundational support for risk identification, monitoring, and response, it promoted the efficient and sustainable implementation of comprehensive risk management requirements across the Company.

Case

The Company promoted the development of the risk management information system and the practice of AI-empowered risk control

In 2025, the Company accelerated the development of its risk management information system, continuously promoted the integration of Company risk data, and enhanced the systematization and automation of core risk control tasks such as limit management, risk early warning, credit management, T+0 monitoring, stress testing, and risk reporting. It solidified the foundation of the risk penetration management system and built a risk monitoring module for overseas subsidiaries, promoting unified collection and collaborative management of domestic and international risk data.

Concurrently, the Company deepened the application of artificial intelligence in risk management. It established a dedicated AI task force to explore application scenarios. Based on its large language model platform, the Company developed 7 AI agents covering functions including intelligent report generation, risk inquiry, and early warning support, continuously improving the forward-looking nature, precision, and operational efficiency of risk management.

Indicators and Targets

The Company adheres to the risk management objective of "establishing a sound comprehensive risk management system to ensure that all business operations proceed within acceptable risk limits and that the risks undertaken are aligned with the Company's overall strategic development goals", driving the implementation of comprehensive risk management.

Comprehensive risk management indicators and actual situation of CGS in 2025

Indicator	Target	Progress
Risk coverage[1]	Risk coverage of not less than 130%	250.00%
Capital leverage ratio	Capital leverage ratio of not less than 9.6%	14.90%

Note 1: Risk coverage is an important indicator for assessing the risk control capability of a securities company, calculated as follows: Risk coverage = net capital/sum of various risk capital provisions x 100%, which generally needs to be higher than 100% to reserve sufficient capital to cope with risks.

Business conduct

Integrity practice and anti-corruption[1]

Governance

China Galaxy Securities strictly abides by the *Securities Law of the People's Republic of China*, the *Regulations on Integrity Practice of Securities and Futures Institutions and Their Staff*, the *Opinions on Strengthening Integrity Practice Risk Prevention and Control Regarding Securities Companies Engaging Third Parties in Investment Banking Business*, and other relevant laws, regulations, and regulatory self-discipline rules. The Company has formulated internal control systems on integrity practice, including the *Regulations on Integrity Practice, the Measures for the Administration of Integrity Practice*, and the *Measures for Handling Employee Violations*. These systems cover all businesses, operational stages, and all employees (including dispatched employees and outsourced personnel engaged in securities business), promoting the Company and its staff to observe professional ethics and prevent integrity practice risks.

The Company has established an organizational structure for integrity practice management consisting of the Board of Directors, the Audit Committee, senior management, managers at all levels, departments, branches, subsidiaries, and staff members. This structure features hierarchical management with respective responsibilities, clearly defining the responsibility requirements for integrity practice management for personnel at all levels. The Leading Group for Supervision and Coordination is responsible for implementing supervision and inspection of integrity and compliance across all lines, departments, branches, subsidiaries, and their staff within the Company's headquarters. It ensures that any issues identified are addressed promptly and that significant matters are reported in a timely manner.

Integrity practice governance structure of CGS

Supervisory level	Board of Directors	Determine the objectives and overall requirements of integrity practice management and assumes responsibility for the effectiveness of integrity practice management.
	Audit Committee of the Board of Directors	Supervise the performance of directors and senior management in the development of a clean culture and the management of integrity practices.
Management level	Senior management	Be responsible for the implementation of integrity practice management objectives and accountable for clean operation.
	Leading Group for Supervision and Coordination	Supervise the integrity practice status of all units and their staff.
Executive level	Heads of subordinate units (business lines, departments, branches, and subsidiaries)	Be responsible for the specific implementation of integrity practice management objectives, strengthening the management of integrity practice behavior of the staff within their respective lines, departments, branches, and subsidiaries, and accountable for the execution of integrity practice management.
	All employees	Proactively identify and control integrity practice risks associated with their professional conduct and assume responsibility for their actions.

1 Integrity practice refers to the practitioners' strict compliance with laws and regulations and professional ethics in their professional activities, without the use of power for personal gain, corruption and bribery. Closely related to anti-corruption, integrity practice prevents the occurrence of corruptions at the individual level, which is valued as the foundation and an important part of anti-corruption.

Strategy

The Company has established and improved the leadership mechanism and institutional arrangements for integrity practice management, implemented the management responsibilities, and adopted effective measures to identify and control integrity practice risks. In its daily operational and management processes, the Company proactively advocates the philosophy of integrity practice and comprehensively implements various internal and external work requirements for integrity practice management.

Risk analysis and response strategies for integrity practice and anti-corruption of CGS

Risk type	Time horizon of impacts	Expected financial impacts	Response strategies
Conflict of interest risk Risk of commercial bribery	Medium and long term	Operating revenue ↓	• Establish and improve the leadership mechanism and institutional arrangements for the management of integrity practice, and implement the responsibility for the management of integrity practice. • Cultivate the awareness of integrity practice among all staff members and continuously promote the development of a clean culture.

Impacts, Risks, and Opportunities Management

In 2025, the Company continued to integrate integrity practice and anti-corruption requirements into the entire process of corporate governance, internal control, and operational management. It persistently strengthened the identification, prevention, and control of integrity risks, consolidating the operational foundation of lawfulness, compliance, integrity, and clean practice.

Key initiatives on integrity practice and anti-corruption management of CGS in 2025

Improve personnel management system

- In August 2025, in line with regulatory requirements and the Company's management practices, the Company revised and issued the *Measures for the Administration of Integrity Practice*, further clarifying that the scope of application for integrity practice covers all staff of the Company and its subsidiaries, including securities brokers, dispatched personnel, and outsourced personnel engaged in securities business.
- The Company has strengthened the management requirements for personnel leaving the China Securities Regulatory Commission system, incorporating individuals' integrity practice status into the key areas of appointment management, daily supervision, and risk prevention and control.

Conduct evaluation, self-audit, and supervision

- The Company integrates integrity requirements throughout the entire internal audit process, conducting a full-coverage review of all business areas involving integrity practices every three years.
- In the 2025 revision of the audit protocol, the Company continuously reviewed integrity practice risk points and corresponding control measures within businesses, incorporating them as critical inspection points into audit protocols such as the *Control Matrix for Securities Business Departments*.
- The Company has incorporated integrity practice risk points as core evaluation components in the annual internal control effectiveness assessment, compliance effectiveness evaluation, and audit programs covering headquarters businesses, branches, and subsidiaries.
- The Company has implemented audit supervision over the economic responsibility of leading cadres during their tenure through a combination of in-tenure and post-tenure audits, achieving comprehensive audit coverage in this regard.

Strengthen the development of Party conduct and integrity practice

- The Company conducted two rounds of inspections on 12 branches and subsidiaries within the year, incorporating integrity practice as a key inspection content.
- In March 2025, the Company issued the *Measures for the Supervision Coordination Work between the CGS Commission for Discipline Inspection and the Company's Supervision and Management Departments*. Through mechanisms such as notification of important situations, consultation on matters, information sharing, transfer of problem clues, and joint supervision, the Company promoted the integration and coordination of disciplinary inspection supervision, inspection supervision, audit supervision, and compliance supervision, strengthening the joint supervision force over key areas, critical positions, and important personnel.

Promote the training and publicity on integrity practice and anti-corruption

- The Company has established the "Galaxy Classroom" platform and launched the "Clean Galaxy" special initiative, releasing integrity practice and anti-corruption training courses covering all staff, including directors, senior management, employees, securities brokers, and dispatched employees.
- The Company has conducted integrity practice training for the institutional business line, interpreting relevant regulations on integrity practice for securities practitioners and sharing warning cases.
- The Company has distributed and promoted the *China Galaxy Securities "Clean Practice Clarification Sheet"* to all employees. This document clearly defines negative lists and behavioral boundaries in key areas such as business travel, official receptions, marketing expenses, office space, and official vehicles. It strengthens integrity practice and anti-corruption training and daily compliance reminders in an easy-to-understand and intuitive manner, integrating integrity requirements into employees' daily duties.
- The Company distributed the *China Galaxy Securities Integrity Practice Notice* to clients and relevant stakeholders, clearly stating the Company's integrity practice requirements covering key business areas. Complaint and reporting channels were simultaneously made public to strengthen external supervision and transparency in integrity management.





Case **The Company provided special training on clean practice covering all staff**

From August to September 2025, to strengthen the construction of a clean culture and deepen the concept of integrity practice, China Galaxy Securities organized the 2025 Company-wide Special Integrity Practice Training in accordance with the requirements of the Securities Industry Association of China's *Detailed Rules for Integrity Practice of Securities Business Institutions and Their Staff*. The training targeted all staff of the Company and its subsidiaries, covering directors, senior management, employees (including account managers), securities brokers, dispatched personnel, and outsourced personnel engaged in securities business.

This training was conducted online, with courses uniformly delivered through the "Galaxy Classroom – Task Center" and company mail. The training content included an overview of integrity practice regulatory provisions, prohibitive requirements for integrity practice, the Company's integrity practice management requirements, and case warnings. The Company required all units to organize and implement the training arrangements, and the Legal and Compliance Headquarters incorporated the implementation of the training into the annual compliance assessment.

The Company has formulated the *Measures for Discipline Inspection Institutions to Handle Prosecution and Charges*, the *Measures for the Administration of Letters and Visits,* and the *Measures for the Administration of Complaints Through Letters and Visits on the Organizational and Personnel Affairs*. The Company has set up channels for complaints in the General Office, the Human Resources Headquarters, and the Disciplinary Committee Office, and the complaints are handled by the various departments separately according to the specific issues reflected. The Company strictly implements confidentiality policies, keeping whistleblower information and reports strictly confidential. Complaints are handled without disclosing the identity of the whistleblower, preventing any retaliation against them.

Indicators and Targets

The Company adheres to its integrity practice management objective "By establishing and improving the Company's integrity practice management mechanisms and systems, integrating integrity practice management into all aspects of operational activities, establishing effective mechanisms for pre-event risk prevention, in-process supervision, and post-event review, achieving effective identification and management of integrity risks, and cultivating an enterprise-wide culture of integrity practice," and drives the implementation of integrity practice work.

Indicators and targets of integrity practice and anti-corruption of CGS in 2025

Target	Indicator	Progress in 2025
By establishing and improving the Company's integrity practice management mechanisms and systems, the Company will integrate integrity practice management into all aspects of operational activities, establish effective mechanisms for pre-event risk prevention, in-process supervision, and post-event review, achieve effective identification and management of integrity risks, and cultivate an enterprise-wide culture of integrity practice.	The proportion of directors and employees covered by the training on integrity practice and anti-corruption	100%

Anti-unfair competition

The Company maintains a zero-tolerance policy towards all forms of unfair competitive practices, strictly prohibiting the acquisition of improper advantages through deceptive advertising, commercial disparagement, price manipulation, or any other unethical business tactics. The Company is committed to advancing intellectual property protection and implementing responsible marketing strategies, thereby fostering and preserving an equitable market competition landscape.

Intellectual property protection

The Company strictly abides by the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China,* and other relevant laws and regulations and formulated the *Implementation Rules of Management of We Media,* the *Implementation Rules of Quality Review of Securities Research Reports, Implementation Rules for the Management of Investment Value Research Reports,* and *Implementation Rules for Publishing and Interpreting Securities Research Reports Using Internet Tools,* to standardize the management and protection of the intellectual property of the Company. In 2025, there were no major litigation cases in respect of intellectual property rights in the Company.

Main initiatives for intellectual property protection of CGS in 2025

Avoid infringing on others' intellectual property rights

- The Company promotes the use of licensed software among employees and centrally funds the procurement and deployment of genuine office software for all staff.
- Do not use others' enterprise names or trademark names that have been registered in China, or harm the state, society or public interests.
- Never copy other people's works, papers or research results of other securities analysts in preparing securities research reports, and give notes when quoting other people's works, papers or research results. Reproduce others' content with clear marks or authorization.
- Reproduce others' content with clear marks or authorization.
- Without authorization, do not freely use "materials" from the Internet or other channels, including but not limited to text (including special fonts), pictures, art, photography, music, and film works, for which the Company does not have the corresponding intellectual property rights or the right to use.

Protect the Company's own intellectual property rights

- Set up a professional team and take the initiative to register trademarks.
- Require the addition of intellectual property attribution clauses when signing service contracts with intermediaries.
- Revised five types of core procurement/development/operation and maintenance contracts, optimizing intellectual property protection clauses.

Responsible marketing

China Galaxy Securities has implemented responsible marketing philosophies primarily through its investor suitability management and marketing management. The Company rigorously adheres to regulatory requirements, including the *Securities Brokerage Business Administration Measures,* the *Measures for the Administration of the Suitability of Securities and Futures Investors,* and the *Provisions on the Administration of Proxy Sale of Financial Products by Securities Companies*. In compliance with these regulations, CGS has developed relevant management systems for responsible marketing, encompassing the *Investor Suitability Management Measures, Wealth Management Business Marketing Guidelines,* and *Rules for the Implementation of the Marketing and Publicity Management of the Custodianship and Fund Service Business.* These systems standardize the work of responsible marketing, ensuring that there are systems to rely on, rules to abide by, and an orderly process to follow. They safeguard the legitimate rights and interests of investors and promote the healthy and stable development of the business.

In 2025, the Company effectively fulfilled its obligations for investor suitability management across three areas: intelligent innovation applications, digital platform development, and the upgrading of management models.

2025 Key initiatives in investor suitability management of CGS

Intelligent innovation applications	• CGS leveraged professional digital platforms to promote the integrated innovation of investor suitability management with cutting-edge AI technologies. The Company applied large-model agents to customize an intelligent evaluation system for suitability management effectiveness, expanding application scenarios and practical uses of client suitability information analysis outcomes.
Digital platform development	• The second phase of the investor suitability management platform was fully launched. Building on multi-functional and centralized management, CGS established a normalized advancement mechanism, formulated an integrated overall plan, and achieved the migration to domestically compatible IT systems alongside multi-dimensional functional upgrades.
Management model upgrade	• Through business process optimization, enhanced internal control management within the platform, strengthened automated system controls, and reinforced process-based management of business evaluation procedures, the Company established an optimization-oriented, closed-loop management model across investor classification, product and service grading, and suitability matching. CGS further enhanced the quality and effectiveness of ongoing suitability management to safeguard investors' legitimate rights and interests.

Anti-money laundering

The Company adheres to the "risk-based" management method and strictly abides by applicable laws and regulations such as the *Anti-Money Laundering Law of the People's Republic of China* and regulatory provisions. The Company has formulated the *Anti-Money Laundering and Counter-Terrorist Financing Management Regulations,* the *Measures for Risk Management of Money Laundering and Terrorist Financing,* etc. The Company establishes an anti-money laundering organizational structure, and continuously standardizes the relevant anti-money laundering management system.

Anti-money laundering organizational structure of CGS

Supervisory level	Board of Directors	• Supervise the Company's anti-money laundering governance system and its operation. • Urge the operation management to implement anti-money laundering related work requirements lawfully and effectively.
Management level	Executive Committee	• Be responsible for organizing the implementation of the Board of Directors' decisions and requirements regarding anti-money laundering work.
	Anti-Money Laundering Working Group	• Coordinate and advance the Company's anti-money laundering work. • Coordinate business departments, middle and back-office support departments, and branches to implement anti-money laundering management requirements.
Executive level	Legal and Compliance Headquarters	• Host the Anti-Money Laundering Team, responsible for system development, daily management, organization, implementation, and professional guidance of anti-money laundering work.
	Branches, Business Offices, and Compliance Personnel	• Heads of each branch are responsible for anti-money laundering work within their units. • Regional Compliance Officers and Compliance Managers are appointed to organize, implement, and supervise related anti-money laundering work.
	All employees	• Conduct business in accordance with the Company's anti-money laundering systems and operational procedures.

In 2025, the Company continued to advance the systematic development of its anti-money laundering (AML) work, focusing on strengthening system support, enhancing front-end risk controls, optimizing cross-departmental coordination mechanisms, and improving the effectiveness of staff training. These efforts promoted multi-dimensional, comprehensive progress in AML management. In 2025, there were no incidents of regulatory violations related to money laundering.

Key anti-money laundering initiatives of CGS in 2025

Strengthen anti-money laundering system support and front-end control	• The Company procured a beneficial owner management system and applied for connection to the People's Bank of China's BOMIS system to fulfill beneficial owner management requirements. • The Company has continuously strengthened front-end business risk control by embedding money laundering risk control measures for "one person acting as agent for multiple institutional accounts" into the system controls of relevant businesses. • It has established an anti-money laundering monitoring system to conduct surveillance from dimensions such as customer behavior, funds, and transactions. The Company's suspicious transaction monitoring practice was selected for inclusion in the *Securities Business Demonstration Practice No. 6 – Digital Application of Suspicious Transaction Reporting for Anti-Money Laundering in Securities Companies.*
Strengthen the collaborative management of anti-money laundering in the Company	• The Company issued the *Compliance Management Plan for CGS International Securities Pte. Ltd. and CGS International Securities Malaysia Sdn. Bhd.,* strengthening the parent company's unified management of subsidiary anti-money laundering work.
Promote the self-assessment of money laundering risks and the construction of governance capabilities	• The Company organized and carried out a special self-assessment of money laundering risks at the Company level, clarifying the assessment framework, indicator definitions, and division of responsibilities, thereby solidifying the risk-based foundation of anti-money laundering management.
Continuously strengthen anti-money laundering training	• In line with external regulatory developments and internal key tasks, the Company has conducted a series of anti-money laundering training totaling eight sessions. Implemented the 2025 enterprise-wide anti-money laundering training program via the "Galaxy Classroom" platform. The Company conducted 1 specialized training session for the Company's Board of Directors, operation management, and members of the Anti-Money Laundering Working Group. It conducted seven targeted specialized training sessions for all Company staff, new employees, anti-money laundering personnel, and business personnel, covering topics such as money laundering risk self-assessment work and key policy points.

Case

The Company carried out special work on the construction of anti-money laundering capabilities and the self-assessment of money laundering risks



In 2025, to support China's preparation for the fifth round of international anti-money laundering mutual evaluation, implement the newly revised *Anti-Money Laundering Law of the People's Republic of China,* and advance the transformation towards risk-based anti-money laundering management, the Company focused on enhancing its anti-money laundering governance capabilities. It organized related work on anti-money laundering special training and money laundering risk self-assessment. Participants included the Company's Board of Directors, operation management, member departments of the Anti-Money Laundering Working Group, as well as relevant personnel from subsidiaries and branches.

In 2025, the Company held special anti-money laundering training sessions for the Board of Directors and operation management, and initiated the money laundering risk self-assessment. Focusing on the FATF (Financial Action Task Force) international standards, the requirements of the international mutual evaluation, the main changes in the new *Anti-Money Laundering Law of the People's Republic of China*, and key regulatory priorities, the sessions interpreted the implementation framework for the self-assessment, business risk assessment indicators, and reporting requirements. The sessions clarified the division of responsibilities among various units to collaboratively advance the assessment work, laying a solid management foundation for the upcoming international evaluation.

ESG Data Sheet and Notes

Economic performance

Economic Data Sheet

Indicator	Unit	2023	2024	2025
Operating revenue[1]	RMB	18,938,854,682.46	22,761,598,103.00	28,302,251,724.47
Total profits	RMB	8,133,648,494.72	10,518,630,296.62	14,413,177,989.26
Total assets	RMB	663,205,297,156.44	737,470,691,457.89	855,744,926,541.11
Basic earnings per share	RMB	0.67	0.81	1.03
Social contribution per share[2]	RMB	2.39	2.53	2.78

Note 1: In July 2025, the Ministry of Finance issued implementation Q&As on the accounting treatment of standard warehouse receipt transactions. The Company, in accordance with the above implementation Q&As, recognises investment income on a net basis for warehouse receipt transactions that meet certain specified criteria, and has accordingly restated the comparative figures in the income statement for 2023 and 2024, thereby restating the relevant data for 2023 and 2024.

Note 2: Social contribution per share = basic earnings per share + (taxes paid to the state during the year + wages paid to employees + loan interest paid to creditors such as banks + external donations and other value created for stakeholders − other social costs caused by environmental pollution, etc.)/total number of shares issued by the Company.

Environmental performance

GHG Emissions and Energy Use Data Sheet[1]

Indicator	Unit	2023	2024	2025
Total GHG emissions (Scope 1 and Scope 2)	tCO_2e	21,099.45	17,642.66	17,811.84
Scope 1 GHG emissions[2]	tCO_2e	861.16	658.08	447.56
Scope 2 GHG emissions[3]	tCO_2e	20,238.29	16,984.59	17,364.28
Scope 3 GHG emissions[4]	tCO_2e	——	——	5,133.18
Per capita total GHG emissions (Scope 1 and Scope 2)	tCO_2e/person	1.50	1.20	1.25
Comprehensive energy consumption	Tce	——	4,224.57	4,252.46
Per capita comprehensive energy consumption	Tce/person	——	0.29	0.30
Direct energy consumption	Tce	——	297.79	211.26
Total natural gas consumption	CBM	64,071.78	62,479.06	62,693.19
Per capita natural gas consumption	CBM/person	4.57	4.25	4.40
Gasoline consumption of the Company's vehicles[5]	L	263,361.21	186,746.77	108,551.71
Diesel consumption of the Company's vehicles	L	6,859.79	8,626.32	7,797.00
Liquefied petroleum gas consumption	Tonne	——	0.37	0
Indirect energy consumption	Tce	——	3,926.78	4,041.20
Total electricity consumption	MWh	35,716.05	31,722.56	32,630.46
Electricity consumption per capita	MWh/person	2.55	2.16	2.29
Purchased steam consumption	GJ	——	89.98	17.74
Purchased hot water consumption	GJ	——	650.27	803.27
Total water consumption	Tonne	112,194.34	108,065.46	91,177.42
Water consumption per capita	Tonne/person	8.00	7.35	6.39

Note 1: [Statistical scope] Environmental performance data are calculated based on the consolidated financial statement scope of CGS. Total water consumption is calculated based on municipal water intake.

Note 2: [Calculation method] Scope 1 GHG emissions sources include natural gas, liquefied petroleum gas, and diesel and gasoline consumption of company-owned vehicles. The calculation methodology follows the Hong Kong Stock Exchange guidance document, *How to Prepare an Environmental, Social and Governance Report*, Appendix 2: *Reporting Guidance on Environmental KPIs* (31 December 2024).

Note 3: Scope 2 GHG emissions sources include purchased electricity, purchased steam, and purchased hot water. The electricity emission factor for the Company's headquarters and domestic branches and subsidiaries is calculated with reference to the Ministry of Ecology and Environment's *Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors*. For overseas subsidiaries, we refer to the *CLP 2024 Sustainability Report*, *HK Electric 2024 Sustainability Report*, and the LowCarbonPower website (https://lowcarbonpower.org/zh/). Emission factors for purchased steam and purchased hot water refer to the National Development and Reform Commission's *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Industrial Enterprises in Other Industries (Trial)* (2015).

Notes 4: Scope 3 GHG emissions include the employee commuting category, with emission factors calculated based on *2024 China Major Cities Commuting Monitoring Report* and *2024 Urban Travel Survey Questionnaire*.

Notes 5: In 2024 and 2025, several branches disposed of part of their official vehicles, resulting in a decrease in gasoline consumption of company-owned vehicles.

Waste Management Data Sheet[1]

Indicator		Unit	2023	2024	2025
Hazardous waste	Amount of discarded electronic products	No.	510	1,501	965[2]
Total amount of non-hazardous waste generated		Tonne	93.01	1,042.65	1,036.21
Per capita amount of non-hazardous waste generated		Tonne/person	——	0.07	0.07
Non-hazardous waste[3]	Printer cartridges	Tonne	0.4	3.74	3.75
	Toner cartridges[4]	No.	83	——	——
		Tonne	——	1.79	1.52
	Office paper	Tonne	17.36	60.06	55.73
	Food waste	Tonne	31.25	80.17	62.09
	Domestic waste	Tonne	44.00	896.89	913.12

Note 1: Since 2024, the statistical scope of waste management data has been expanded from the headquarters of CGS to the consolidated financial statement scope of CGS, resulting in an increase in the reported waste generation.

Note 2: In 2025, the Company reduced centralized processing of discarded electronic products, resulting in a decrease in electronic waste.

Note 3: The quantities of discarded toner cartridges, ink cartridges, and office paper are estimated based on the procurement volume of the CGS headquarters. In 2023, the amounts of food waste and domestic waste were estimated based on the waste removal volume recorded by the property management of the CGS headquarters.

Note 4: In 2024, the statistical unit for toner cartridges was changed to tonnes.

Employee Employment Data Sheet

Indicator		Unit	2023	2024	2025
Total number of employees[1]		Person	14,030	14,706	14,259
By gender	Male	Person	7,400	7,796	7,482
	Female	Person	6,630	6,910	6,777
By age group	>50 years old	Person	1,689	1,722	1,765
	30-50 years old	Person	8,896	9,358	9,390
	<30 years old	Person	3,445	3,626	3,104
By region	Chinese mainland	Person	11,756	12,394	12,021
	Hong Kong, Macao, Taiwan (China) and overseas regions	Person	2,274	2,312	2,238
By educational degree	Doctor's degree	Person	111	116	129
	Master's degree	Person	3,615	3,963	4,153
	Bachelor's degree	Person	8,656	9,113	8,751
	Associate degree or below	Person	1,648	1,514	1,226
Employee number of other employment types[2]		Person	179	158	191
Employee turnover rate[3]		%	13.41	13.21	13.10
Including:					
Proportion of the number of departing account managers to the total number of employees		%	7	10.4	9.10
By gender	Male	%	15.30	14.47	14.72
	Female	%	11.30	11.79	11.32
By age group	>50 years old	%	6.04	6.50	8.27
	30-50 years old	%	11.14	10.72	10.31
	<30 years old	%	22.87	22.84	24.29
By region	Chinese mainland	%	12.34	12.89	12.13
	Hong Kong, Macao, Taiwan (China) and overseas	%	18.91	14.97	18.32
Number of labor discrimination incidents		No.	0	0	0
Number of working days lost due to work-related injuries		Day	0	0	0
Amount invested in work-related injury insurance		RMB10,000	543.62	605.32	662.39
Coverage rate of employees covered in work-related injury insurance		%	100	100	100

Note 1: Refers to the total number of full-time employees under labor contracts of CGS as of the end of the reporting period.

Note 2: Employees under other forms of employment mainly include dispatched workers.

Note 3: [Calculation method] Turnover rate of each employee category = number of employees in that category who left during the year/number of employees in that category at the end of the year. The calculation of the Company's employee turnover rate includes the number of departing account managers.

Employee Training Data Sheet

Indicator		Unit	2023	2024	2025
Total expenditure on employee training		RMB10,000	1,858.34	1,530.10	1,435.93
Number of employee training attendances		Attendances	560,044	397,288	1,043,683
Including:					
Company-level coordinated training		Session	211	53	31
		Attendances	162,031	163,021	31,450[1]
Business department-level training		Session	1,234	781	5,750
		Attendances	398,013	234,267	1,012,233[1]
Total employee training hours		10,000 hours	80.07	81.42	185.59[2]
Employee training coverage		%	100.00	100.00	100.00
By gender	Male employees	%	100.00	100.00	100.00
	Female employees	%	100.00	100.00	100.00
Average number of training hours per employee per year		Hours	57.07	55.37	130.15[2]
By gender	Male employees	Hours	57.07	55.37	130.15
	Female employees	Hours	57.07	55.37	130.15

Note 1: In 2025, the Company further delegated company-level coordinated training to be organized and implemented by business departments. As a result, participant attendances in company-level coordinated training decreased, while those in business department-level training increased accordingly.

Note 2: In 2025, the Company enhanced employee education and training, increasing the number of training sessions, which led to a significant rise in both total training hours and average training hours per employee compared with the previous year.

Customer Service Data Sheet

Indicator	Unit	2023	2024	2025
Number of complaints received about products and services	No.	402	675	1,052
Complaint handling rate	%	100.00	100.00	100.00
Complaint handling completion rate	%	100.00	100.00	100.00
Satisfaction rate of customer complaint (opinions) handling	%	85.21	85.15	90.02
Satisfaction rate of new customer follow-up visits	%	99.16	98.83	99.07
Number of incidents of violation of regulations regarding customer privacy protection	No.	0	0	0

Supplier Management Data Sheet

Indicator		Unit	2023	2024	2025
Total number of suppliers		No.	234	385	399
By region	Number of domestic suppliers	No.	——	376	390
	Number of suppliers from Hong Kong S.A.R., Macao S.A.R., Taiwan (China), and overseas	No.	——	9	9

Innovation-driven Data Sheet[1]

Indicator	Unit	2024	2025
Investment in IT systems	RMB100 million	13.60	14.21
Proportion of IT system investment to main business revenue	%	7.44	6.13
Number of IT research and development personnel	Person	278	317
Proportion of IT research and development personnel	%	2.52	2.95
Number of patents and software copyrights held	No.	20	20

Note 1: [Statistical scope] The Innovation-driven Data Sheet is prepared on a parent company basis of China Galaxy Securities.

Community Investment Data Sheet

Indicator	Unit	2023	2024	2025
Number of employee volunteer service attendances	Attendances	4,800	6,912	5,618
Total volunteer service hours of employees	Hours	620	2,918	2,547
Total investment in external donations	RMB10,000	1,140.17	1,269.65	1,230.18
Number of beneficiaries of rural revitalization initiatives[1]	Person	98,000	120,000	120,000
Investment in rural vitalization	RMB10,000	962	1,202.96	1,105.07

Note 1: The number of beneficiaries of rural revitalization initiatives is an estimated value by the Company.

Business Conduct Data Sheet

Indicator	Unit	2024	2025
Number of directors covered by integrity and anti-corruption training	Person	9	10
Number of management personnel covered by integrity and anti-corruption training	Person	762	688
Number of employees covered by integrity and anti-corruption training	Person	14,706	14,259
Percentage of directors covered by integrity and anti-corruption training	%	100.00[1]	100.00
Percentage of management personnel covered by integrity and anti-corruption training	%	100.00	100.00
Percentage of employees covered by integrity and anti-corruption training	%	100.00	100.00
Number of concluded corruption litigation cases filed against the Company or its employees during the reporting period	No.	0	1[2]
Number of litigation cases or major administrative penalties arising from the Company's unfair competition during the reporting period	No.	0	0

Note 1: In 2024, the Company conducted one integrity and anti-corruption training session covering all then-serving directors (9 directors). During the same year, one additional director was newly appointed after the training, resulting in a 100% coverage rate for directors.

Note 2: In 2025, one head of a business outlet was placed under investigation for related matters. The case has since been concluded and was disclosed as a post-reporting event in the *2024 Sustainability and ESG Report*. The Company has implemented measures to drive improvements and strengthen governance based on the case, further reinforcing integrity education, behavior monitoring, and risk prevention.

Report Index

Index to the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)

Disclosure requirement	Location
Climate change tackling	Climate change tackling ESG Data Sheet and Notes
Pollutant discharge	The links in the financial industry where the company operates that involve this material issue are mainly office operations. Since the overall impact and risks are relatively small, the relevant content is integrated into the "*Green operation*" section and the "*ESG Data Sheet and Notes*" for integrated disclosure.
Waste disposal	
Ecosystem and biodiversity protection	Contributions to the Society (The Company's operations do not have a significant impact on the ecosystem, but the Company carries out relevant public welfare activities to fulfill its responsibility for ecological protection, which is disclosed in the *"Promoting rural revitalization"* and *"Contributions to the society"* sections and integrated into the "*ESG Data Sheet and Notes*.")
Environmental compliance management	The links in the financial industry where the company operates that involve this material issue are mainly office operations. Since the overall impact and risks are relatively small, the relevant content is integrated into the "*Green operation*" section and the "*ESG Data Sheet and Notes*" for integrated disclosure.
Energy usage	
Usage of water resources	
Circular economy	
Rural revitalization	Promoting rural revitalization ESG Data Sheet and Notes
Contributions to the society	Contributions to the society ESG Data Sheet and Notes
Innovation-driven	Fintech application ESG Data Sheet and Notes
Ethics of science and technology	As a financial entity, the Company currently does not engage in scientific research or technological development activities in ethically sensitive fields such as life sciences or artificial intelligence. Such matters are also not within the mandatory disclosure scope. The Company attaches great importance to ethical and compliance issues that may be involved in the application of fintech, continuously strengthening the construction of related internal control systems and management mechanisms. For specific measures, please refer to the "*Fintech application*" and "*Information safety and customer privacy protection*" chapters of this report.
Supply chain security	As a financial entity, the Company operates with relatively limited exposure to business interruption caused by supply chain disruptions. Relevant information regarding supplier sustainability management is disclosed in the "Supplier management" chapter and integrated into the "*ESG Data Sheet and Notes*."

Disclosure requirement	Location
Equal treatment to small and medium-sized enterprises	As of the end of 2025, the balance of accounts payable (including notes payable) did not exceed RMB30 billion or account for more than 50% of total assets.
Safety and quality of products and services	Customer service quality Feature: Aligning with the 15th Five-Year Plan and advancing toward a leading financial powerhouse (including Inclusive Finance) ESG Data Sheet and Notes
Data security and customer privacy protection	Information safety and customer privacy protection
Employees	Human capital management ESG Data Sheet and Notes
Due diligence	Due diligence and stakeholder communication ESG risk management in investment and financing
Communication with stakeholders	Due diligence and stakeholder communication
Anti-bribery and anti-corruption	Business conduct ESG Data Sheet and Notes
Anti-unfair competition	Business conduct ESG Data Sheet and Notes
Self-identification issues	**Location**
Green finance	Green finance
ESG risk management in investment and financing	ESG risk management in investment and financing
Serving national strategies	Feature: Aligning with the 15th Five-Year Plan and advancing toward a leading financial powerhouse
Responsible investment	Responsible investment
Investor education	Investor education
Corporate governance	Corporate governance
Industry culture building	Industry culture building
Comprehensive risk management	Comprehensive risk management
Compliant operation	Compliant operation

Index to the Environmental, Social and Governance Reporting Code of the HKEX

Aspects, General Disclosures and KPIs	Location
Part B: Mandatory Disclosure Requirements	
Governance Structure	ESG Statement from the Board Strengthening Sustainability Management of CGS
Reporting Principles	About this Report
Reporting Scope	About this Report
Part C: "Comply or explain" Provisions	
Subject Area A. Environment	
Aspect A1. Emissions	
General Disclosures A1	Green operation
KPI A1.1	ESG Data Sheet and Notes
KPI A1.3	ESG Data Sheet and Notes
KPI A1.4	ESG Data Sheet and Notes
KPI A1.5	Green operation
KPI A1.6	Green operation
Aspect A2. Use of Resources	
General Disclosures A2	Green operation
KPI A2.1	ESG Data Sheet and Notes
KPI A2.2	ESG Data Sheet and Notes
KPI A2.3	Green operation
KPI A2.4	Green operation
KPI A2.5	The Company's products are only financial products, and this index is not applicable
Aspect A3. The Environment and Natural Resources	
General Disclosures A3	Green operation
KPI A3.1	Green operation

Subject Area B. Society	
Aspect B1. Employment	
General Disclosures B1	Human capital management
KPI B1.1	ESG Data Sheet and Notes
KPI B1.2	ESG Data Sheet and Notes
Aspect B2. Health and Safety	
General Disclosures B2	Human capital management
KPI B2.1	ESG Data Sheet and Notes
KPI B2.2	ESG Data Sheet and Notes
KPI B2.3	Human capital management
Aspect B3. Development and Training	
General Disclosures B3	Human capital management
KPI B3.1	ESG Data Sheet and Notes
KPI B3.2	ESG Data Sheet and Notes
Aspect B4. Labor Standards	
General Disclosures B4	Human capital management
KPI B4.1	Human capital management
KPI B4.2	Human capital management
Subject Area B. Social Operating Practices	
Aspect B5. Supply Chain Management	
General Disclosures B5	Supplier management
KPI B5.1	Supplier management
KPI B5.2	Supplier management
KPI B5.3	Supplier management
KPI B5.4	Supplier management

Aspect B6. Product Responsibility	
General Disclosures B6	Customer service quality
KPI B6.1	The Company's products are only financial products and do not involve product recycling
KPI B6.2	Customer service quality ESG Data Sheet and Notes
KPI B6.3	Business conduct
KPI B6.4	The Company's products are only financial products and do not involve product recycling
KPI B6.5	Information safety and customer privacy protection
Aspect B7. Anti-corruption	
General Disclosures B7	Business conduct
KPI B7.1	Business conduct
KPI B7.2	Business conduct
KPI B7.3	Business conduct
Aspect B8. Community Investment	
General Disclosures B8	Promoting rural revitalization Contributions to the society
KPI B8.1	Promoting rural revitalization Contributions to the society ESG Data Sheet and Notes
KPI B8.2	Promoting rural revitalization Contributions to the society ESG Data Sheet and Notes

Part D: Climate-related Disclosure		
Climate-related Disclosures		**Location and Other Explanations**
(I) Governance		
19	19.a	Climate change tackling - Governance
	19.b	Climate change tackling - Governance
(II) Strategy		
Climate-related risks and opportunities		
20	20.a	Climate change tackling - Strategy
	20.b	Climate change tackling - Strategy
	20.c	Climate change tackling - Strategy
	20.d	Assessment of Issues Materiality - Management of financially material issues

Business model and value chain		
21	21.a	Climate change tackling – Strategy
	21.b	About Us – Value chain Climate change tackling – Strategy
Strategies and decisions		
22	22.a	Climate change tackling – Strategy
	22.b	Climate change tackling – Strategy
23	Climate change tackling – Strategy	
Financial position, financial performance, and cash flows		
24	24.a	Climate change tackling – Strategy
	24.b	The Company does not face any significant risks that would lead to material adjustments to the carrying values of assets and liabilities in the relevant financial statements for the next reporting year.
25	25.a	Application of [Financial impact exemption]. The anticipated financial impacts of climate-related risks and opportunities are influenced by multiple factors, including policy changes, market responses, and technological evolution. The related assumptions and data foundation still entail significant uncertainty. Given that capabilities in quantitative modeling and data accumulation are still under continuous development, the Company has not yet provided quantitative disclosure of the anticipated financial impacts of climate-related risks and opportunities. Currently, only qualitative disclosures are made. Please refer to the "*Climate change tackling – Strategy*" for details.
	25.b	
Climate resilience		
26	26.a	Application of [Reasonable information exemption] Given the complexity of climate-related scenario analysis in terms of data availability, methodology adaptation, and business mapping, the Company has not yet obtained reasonable and well-founded information that could be acquired without incurring unnecessary cost or effort as of the reporting date. Systematic climate-related scenario analysis results have not yet been formed. However, the Company is developing climate scenario analyses that align with its business characteristics and scale to assess the resilience of its strategies and business models under different climate scenarios and provide decision support for short-medium and long-term strategic adjustments. Key aspects of this work are detailed in the "*Climate change tackling – Strategy*".
	26.b	
(III) Risk management		
27	27.a	Climate change tackling – Impacts, Risks, and Opportunities Management
	27.b	Climate change tackling – Impacts, Risks, and Opportunities Management
	27.c	Climate change tackling – Impacts, Risks, and Opportunities Management

(IV) Indicators and targets		
GHG emissions		
28	28.a	ESG Data Sheet and Notes
	28.b	ESG Data Sheet and Notes
	28.c	The Company has recognized the materiality of accounting for Scope 3 greenhouse gas emissions. However, constrained by factors such as data availability and traceability, unified boundary definitions, and methodology and information systems not yet being fully established, a complete accounting has not been conducted. Accounting has been performed only for and Category 7. Please refer to the "*ESG Data Sheet and Notes*" for details. In the future, the Company will establish a Scope 3 accounting framework and governance mechanism to improve the accounting and disclosure of its Scope 3 emissions.
29	29.a	ESG Data Sheet and Notes
	29.b	ESG Data Sheet and Notes
	29.c	ESG Data Sheet and Notes
	29.d	ESG Data Sheet and Notes
Climate-related transition risk **Climate-related transition risks** **Climate-related opportunity**		
30\31\32	Application of [Reasonable information exemption] As the impacts of climate-related transition risks, physical risks, and opportunities on assets or business activities involve multiple factors including policy changes, market responses, and technological evolution, the assessment of their specific monetary amounts and proportions for particular assets or business activities remains highly uncertain. The Company has not yet obtained reasonable and well-founded information that could be acquired without incurring unnecessary cost or effort as of the reporting date, and thus has not provided quantitative disclosure of the related impacts. However, the Company is progressively advancing the related assessment work and will provide further disclosure at an appropriate time in the future, considering regulatory requirements, data availability, and internal management progress.	
Capital deployment		
33	During the reporting period, the Company did not incur any special capital expenditures, financing, or investments specifically for addressing climate-related risks and opportunities. However, such matters have been incorporated into medium – to long-term planning, and the Company plans to gradually undertake related investments in the future based on business development and climate strategy needs.	
Internal carbon pricing		
34	34.a	During the reporting period, the Company has not yet established an internal carbon pricing mechanism. It will promote related arrangements in due course, considering regulatory requirements and its own practical circumstances.
	34.b	

Compensation		
35	During the reporting period, the Company has not yet incorporated climate-related considerations into its management remuneration policy. In the future, the Company considers exploring the inclusion of climate change-related indicators such as green finance and ESG ratings into the management remuneration policy, based on the outcomes of green finance development and ESG management practices. It will gradually improve related incentive and constraint mechanisms according to business progress and management maturity.	
Industry indicators		
36	Green finance	
Climate-related targets		
37	37.a	The Company has set qualitative climate-related targets. Please refer to the "*Climate change tackling*" chapter for details. However, a base year for the climate-related targets has not been set yet, and phased or medium-term targets have not been clearly defined. Nevertheless, during the target-setting process, the Company has responded to the latest international agreements on climate change to ensure future targets align with global climate transition trends.
	37.b	
	37.c	
	37.d	
	37.e	
	37.f	
	37.g	
	37.h	
38	38.a	The targets themselves and the methods used to set them have not yet been subject to third-party verification.
	38.b	Climate change tackling – Indicators and Targets
	38.c	Climate change tackling – Indicators and Targets
	38.d	During the reporting period, the Company did not revise its targets
39	Climate change tackling – Indicators and Targets	
40	40.a	Climate change tackling – Indicators and Targets
	40.b	Climate change tackling – Indicators and Targets
	40.c	Climate change tackling – Indicators and Targets
	40.d	The Company has not yet adopted an industry decarbonization approach to derive its targets
	40.e	The Company does not plan to use carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emission targets
Applicability of cross-industry and industry indicators		
41	The Company has assessed the applicability of cross-industry indicators. The disclosure status of cross-industry indicators is detailed in the "*Green finance*".	

Content Index of GRI

Statement of use	China Galaxy Securities has prepared this report with reference to GRI standards for the reporting period from January 1, 2025 to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure	Location
GRI 2: General Disclosures 2021	2-1	About Us
	2-2	About this Report
	2-3	About this Report
	2-4	About this Report
	2-5	Third-Party Independent Assurance Report
	2-6	About Us
	2-7	Human capital management ESG Data Sheet and Notes
	2-8	Human capital management ESG Data Sheet and Notes
	2-9	Corporate governance
	2-12	Strengthening Sustainability Management of CGS
	2-13	Strengthening Sustainability Management of CGS
	2-14	ESG Statement from the Board Strengthening Sustainability Management of CGS
	2-16	Assessment of issue materiality
	2-17	Strengthening Sustainability Management of CGS
	2-18	China Galaxy Securities Co., Ltd. 2025 Annual Report
	2-22	ESG Statement from the Board
	2-27	Compliant operation
	2-29	Due Diligence and Stakeholder Communication
GRI 3: Material Topics 2021	3-1	Assessment of Issue Materiality
	3-2	Assessment of Issue Materiality
	3-3	Assessment of Issue Materiality

GRI Standards	Disclosure	Location
GRI 201: Economic Performance 2016	201-1	ESG Data Sheet and Notes
	201-2	Climate change tackling
GRI 203: Indirect Economic Impacts 2016	203-1	Feature: Aligning with the 15th Five-Year Plan and advancing toward a leading financial powerhouse
	203-2	Feature: Aligning with the 15th Five-Year Plan and advancing toward a leading financial powerhouse Promoting rural revitalization Contributions to the society
GRI 205: Anti-corruption 2016	205-1	Business conduct
	205-2	Business conduct
	205-3	ESG Data Sheet and Notes
GRI 302: Energy 2016	302-1	ESG Data Sheet and Notes
	302-2	ESG Data Sheet and Notes
	302-3	ESG Data Sheet and Notes
	302-4	ESG Data Sheet and Notes
GRI 303: Water and Effluents 2018	303-5	ESG Data Sheet and Notes
GRI 305: Emissions 2016	305-1	ESG Data Sheet and Notes
	305-2	ESG Data Sheet and Notes
	305-4	ESG Data Sheet and Notes
GRI 306: Waste 2020	306-1	Green operation
	306-2	Green operation
	306-3	Green operation ESG Data Sheet and Notes
GRI 308: Supplier Environmental Assessment 2016	308-1	Supplier management
	308-2	Supplier management
GRI 401: Employment 2016	401-1	ESG Data Sheet and Notes
	401-2	Human capital management
	401-3	Human capital management
GRI 403: Occupational Health and Safety 2018	403-3	Human capital management
	403-4	Human capital management
	403-5	Human capital management
	403-6	Human capital management
GRI 404: Training and Education 2016	404-1	ESG Data Sheet and Notes
	404-2	Human capital management
GRI 405: Diversity and Equal Opportunity 2016	405-1	Corporate governance Human capital management
GRI 406: Anti-discrimination 2016	406-1	Human capital management
GRI 414: Supplier Social Assessment 2016	414-1	Supplier management
	414-2	Supplier management
GRI 417: Marketing and Labeling 2016	417-1	Business conduct
	417-2	Business conduct
	417-3	Business conduct
GRI 418: Customer Privacy 2016	418-1	Information safety and customer privacy protection

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Independent assurance report

安永华明（2026）专字第70074858_A08号
China Galaxy Securities Co., Ltd.

To the Board of Directors of China Galaxy Securities Co., Ltd.

Scope
We have been engaged by China Galaxy Securities Co., Ltd. (“China Galaxy Securities” or the Company) to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the selected data as of and for the year ended 31 December 2025 in the 2025 Sustainability & Environmental, Social and Governance Report of China Galaxy Securities (the “Sustainability Report”) .

Selected data
The selected data in the Sustainability Report for 2025 that is covered by this report is as follows:

- Number of Directors (person)
- Number of female Directors at the Board level (person)
- Number of Board of Directors meetings (No.)
- Number of general meetings (No.)
- Sessions of anti-money laundering training (No.)
- Number of directors covered by integrity practice and anti-corruption training (person）
- Total number of suppliers (No.)
- Social contribution per share (RMB)
- Total GHG emissions (Scope 1 and Scope 2) (ton of CO_2 equivalent)
- Scope 1 GHG emissions (ton of CO_2 equivalent)
- Scope 2 GHG emissions (ton of CO_2 equivalent)
- Per capita GHG emissions (Scope 1 and Scope 2) (ton of CO_2 equivalent/person)
- Total natural gas consumption (m^3)
- Natural gas consumption per person (m^3/person)
- Gasoline consumption of the Company's vehicles (L)
- Diesel consumption of the Company's vehicles (L)
- Total electricity consumption (MWh)
- Electricity consumption per person (MWh/person)
- Total water consumption (ton)
- Water consumption per person (ton/person)
- Total number of employees (person)
- Total number of male employees (person)
- Total number of female employees (person)
- Employee turnover rate (%)
- Proportion of account managers leaving in total employees (%)
- Turnover rate of male employees (%)
- Turnover rate of female employees (%)
- Training participants of employees (attendance)
- Total employee training hours (10,000 hours)
- Employee training coverage (%)
- Number of complaints received about products and services (No.)
- Complaint handling rate (%)
- Complaint handling completion rate (%)

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Independent assurance report（continued）

安永华明（2026）专字第70074858_A08号
China Galaxy Securities Co., Ltd.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by China Galaxy Securities
The criteria used by China Galaxy Securities to prepare the selected data in the 2025 Sustainability Report are set out in the basis of reporting of the selected data (the “Basis of Reporting ”) in the accompanying the *Appendix: Basis of Reporting.*

China Galaxy Securities’ responsibilities
China Galaxy Securities’ management is responsible for selecting the basis of reporting, and for presenting the selected data in accordance with the basis of reporting within the 2025 Sustainability Report, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the selected data, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities
Our responsibility is to express a conclusion on the presentation of the selected data as at 31 December 2025 and for the year then ended in the 2025 Sustainability Report based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (‘ISAE 3000 (Revised)’) and *the International Standard for Assurance Engagements on Greenhouse Gas Statements* (‘ISAE 3410’) ,and the terms of reference for this engagement as agreed with China Galaxy Securities on September 4, 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the selected data in the 2025 Sustainability Report in order for it to be in accordance with the basis of reporting, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.
We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management
We have maintained our independence and confirm that we have met the requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

Independent assurance report（continued）

安永华明（2026）专字第70074858_A08号
China Galaxy Securities Co., Ltd.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. The Green House Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the selected data in the Sustainability Report and related information, and applying analytical and other appropriate procedures.

Our work was performed at the Head Office of China Galaxy Securities, which included:

1) Conducted interviews with personnel to understand the business and reporting process;
2) Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selected data during the reporting period;
3) Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the "Criteria applied by China Galaxy Securities";
4) Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified;
5) Tested, on a sample basis, underlying source information to check the accuracy of the data; and
6) Other procedures deemed necessary.

Independent assurance report（continued）

安永华明（2026）专字第70074858_A08号
China Galaxy Securities Co., Ltd.

Conclusion
Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the selected data as at 31 December 2025 and for the year then ended in the 2025 Sustainability Report, in order for it to be in accordance with the Basis of Reporting.

Restricted use
Our report has been prepared for and only for the board of directors of the China Galaxy Securities and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Ernst & Young Hua Ming LLP

Ernst & Young Hua Ming LLP

30 March 2026

Beijing, China

Appendix: Basis of Reporting

Number of Directors (person):
The term disclosed herein refers to the number of directors of the board of China Galaxy Securities as of the reporting date.
Number of female Directors at the Board level (person):
The term disclosed herein refers to the number of female directors of the board of China Galaxy Securities as of the reporting date. It is determined according to the list of directors, supervisors and senior managers disclosed in 2025 Annual Report of China Galaxy Securities, by counting persons with title of director and with gender of female in the list.
Number of Board of Directors meetings (No.):
The term disclosed herein refers to the total number of board meetings during the reporting period. It is determined according to the list of board meetings disclosed in 2025 Annual Report of China Galaxy Securities.
Number of general meetings (No.):
The term disclosed herein refers to the total number of General Meeting during the reporting period disclosed in 2025 Annual Report of China Galaxy Securities.
Sessions of anti-money laundering training (No.):
The term disclosed herein refers to anti-money laundering training sessions for directors, supervisors, all employees, new employees, personnel in anti-money laundering positions, auditors, business personnel, etc. according to the *Anti-Money Laundering of the People's Republic of China*, *Regulations on Anti-Money Laundering of Financial Institutions*, *special anti-money laundering and Anti-Terrorism Financing Management System* of China Galaxy Securities and *special anti-money laundering system* of business lines of China Galaxy Securities. The scope of statistics includes headquarters and all subsidiaries.
Number of directors covered by integrity practice and anti-corruption training (person):
The term refers to the number of directors covered by China Galaxy Securities through the online training platform Galaxy Academy and offline training courses during the reporting period, in accordance with the requirements of the *Regulations on the Integrity of Securities and Futures Operating Institutions and Their Staff* and the *Implementation Rules for the Integrity of Securities Operating Institutions and Their Staff* and the *Implementation Rules for the Integrity of Securities Operating Institutions and Their Staff*. The statistical caliber is China Galaxy Securities headquarters and all subsidiaries.
Total number of suppliers (No.):
The term disclosed herein refers to the total number of suppliers involved in the procurement of China Galaxy Securities according to the *Government Procurement Law of the People's Republic of China*, *the Law of the People's Republic of China on Tendering and Bidding*, the *Basic Measures for Procurement Management of China Galaxy Securities Co., Ltd.* and the *Centralized Procurement Management Measures of China Galaxy Securities Co., Ltd.,* etc. as of the end of reporting period. The scope of statistics includes headquarters and all subsidiaries.
Social contribution per share (RMB):
The term disclosed herein refers to the value-added per share created for the society calculated based on the basic earnings per share created by the Bank for shareholders, adding the value created by the Bank for other stakeholders during the reporting period, such as taxes paid by the Bank for the state, wages paid to employees, loan interest paid to creditors and total external donations, and deducting other costs derived from environmental pollution according with *Shanghai Stock Exchange Self-Regulatory Rules for Listed Companies Guidelines No. 1* by the end of the reporting period. The scope of statistics includes headquarters and all subsidiaries.
Total GHG emissions (Scope 1 and Scope 2) (ton of CO_2 equivalent):
The term disclosed herein refers to the sum of greenhouse gas emissions (Scope 1) and greenhouse gas emissions (Scope 2) during the reporting period. The scope of statistics includes headquarters and all subsidiaries.
Scope 1 GHG emissions (ton of CO_2 equivalent):
The term disclosed herein refers to the greenhouse gas emissions of China Galaxy Securities from the consumption of natural gas, liquefied petroleum gas, owned vehicle diesel and gasoline during the reporting period. The accounting standard is the Hong Kong Stock Exchange guideline *How to prepare for environmental, social and governance reporting · appendix 2: environmental key performance indicators reporting guidelines* The scope of statistics includes headquarters and all subsidiaries.
Scope 2 GHG emissions (ton of CO_2 equivalent):
The term disclosed herein refers to the greenhouse gas emissions of China Galaxy Securities from the purchased electricity, steam, and hot water during the reporting period. For the power emission factors of the company's headquarters and domestic molecular companies, refer to the *Notice on the Announcement on the Release of 2023 Electricity CO_2 Emission Factors* issued by the Ministry of Ecology and Environment. And for the power emission factors of the overseas subsidiary, refer to the *China Power 2024 Sustainability Report*, the *Hong Kong Electric 2024 Sustainability Report*, and the LowCarbonPower *web*site (https://lowcarbonpower.org/zh/). Emission factors for purchased steam and purchased hot water refer to the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors (Trial)* issued by the National Development and Reform Commission of the People's Republic of China (2015). The scope of statistics includes headquarters and all subsidiaries.
Per capita GHG emissions (Scope 1 and Scope 2) (ton of CO_2 equivalent/person):
The term disclosed herein refers to the data obtained by dividing the total greenhouse gas emissions (Scope1 and Scope 2) by the total number of employees at the end of the report period. The scope of statistics includes headquarters and all subsidiaries.
Total natural gas consumption (m^3):
The term disclosed herein refers to the total amount of natural gas consumed by China Galaxy Securities during the reporting period. The scope of statistics includes headquarters and all subsidiaries. It is calculated basing on natural gas consumption amount based on the invoices from the suppliers during the reporting period.
Natural gas consumption per person (m^3/person):
The term disclosed herein refers to the data obtained by dividing the total natural gas consumption by the total number of employees at the end of the report period. The scope of statistics includes headquarters and all subsidiaries.
Gasoline consumption of the Company's vehicles (L):
The term disclosed herein refers to the gasoline consumption of China Galaxy Securities owned vehicles during the reporting period. The scope of statistics includes headquarters and all subsidiaries. It is calculated based on the petrol consumption amount on the invoices from the suppliers during the reporting period.
Diesel consumption of the Company's vehicles (L):
The term disclosed herein refers to the diesel consumption of China Galaxy Securities owned vehicles during the reporting period. The scope of statistics includes headquarters and all subsidiaries. It is calculated based on the diesel consumption amount on the invoices from the suppliers during the reporting period.
Total electricity consumption (MWh):
The term disclosed herein refers to the total amount of electricity purchased by China Galaxy Securities during the reporting period. The scope of statistics includes headquarters and all subsidiaries.

Electricity consumption per person (MWh/person):
The term disclosed herein refers to the data obtained by dividing the total electricity consumption by the total number of employees at the end of the report period. The scope of statistics includes headquarters and all subsidiaries.
Total water consumption (ton):
The term disclosed herein refers to the total water consumption of China Galaxy Securities during the reporting period. The scope of statistics includes headquarters and all subsidiaries.
Water consumption per person (ton/person):
The term disclosed herein refers to the data obtained by dividing the total water consumption by the total number of employees at the end of the report period. The scope of statistics includes headquarters and all subsidiaries.
Total number of employees (person):
The term disclosed herein refers to the total number of full-time contract employees of China Galaxy Securities by the end of the reporting period according to the record of the company's human resource management system. The scope of statistics includes headquarters and all subsidiaries.
Total number of male employees (person):
The term disclosed herein refers to the total number of male full-time contract employees of China Galaxy Securities according to the record of the company's human resource management system based on the official identification document of the employee at the end of the reporting period. The scope of statistics includes headquarters and all subsidiaries.
Total number of female employees (person):
The term disclosed herein refers to the total number of female full-time contract employees of China Galaxy Securities according to the record of the company's human resource management system based on the official identification document of the employee by the end of the reporting period. The scope of statistics includes headquarters and all subsidiaries.
Employee turnover rate (%):
The term disclosed herein refers to the proportion of the total number of employees who terminated labor contract with the company according to the record of the company's Human resource management system during the reporting period to the total number of employees. The scope of statistics includes headquarters and all subsidiaries.
Proportion of account managers leaving in total employees (%):
The term disclosed herein refers to the proportion of the total number of account managers who quit the company during the reporting period to the total number of employees at the end of the reporting period. The scope of statistics includes headquarters and all subsidiaries.
Turnover rate of male employees (%):
The term disclosed herein refers to the proportion of the total number of male employees who quit during the reporting period to the total number of male employees at the end of the reporting period. The scope of statistics includes headquarters and all subsidiaries.
Turnover rate of female employees (%):
The term disclosed herein refers to the proportion of the total number of female employees who quit during the reporting period to the total number of female employees at the end of the reporting period. The scope of statistics includes headquarters and all subsidiaries.
Training participants of employees (attendance):
The term disclosed herein refers to the total number of contract employees participating in the online "Galaxy School" and offline training courses of China Galaxy Securities. The scope of statistics includes headquarters and all subsidiaries.
Total employee training hours (10,000 hours):
The term disclosed herein refers to the total duration of China Galaxy Securities' online Galaxy School" and offline training courses provided to contract employees during the reporting period.

Employee training coverage (%):
The terms disclosed herein refer to the ratio of contract employees covered by China Galaxy Securities' online Galaxy School" and offline training courses during the reporting period. The scope of statistics includes headquarters and all subsidiaries.
Number of complaints received about products and services (No.):
The term disclosed herein refers to the number of complaints received about products and services received by the Customer Contact Centre of China Galaxy Securities during the reporting period. The number of complaints is measured in accordance with *China Securities Regulatory Commission's Provisions on Strengthening the Management of the Securities Brokerage Business issued in 2010*.
Complaint handling rate (%):
The term disclosed herein refers to the ratio of the number of complaints resolved by the Customer Contact Centre of China Galaxy Securities to the number of complaints received about products and services during the reporting period. The number of complaints is measured in accordance with *China Securities Regulatory Commission's Provisions on Strengthening the Management of the Securities Brokerage Business issued in 2010*.
Complaint handling completion rate (%):
The term disclosed herein refers to the ratio of the number of complaints completed to the number of complaints received by the Customer Contact Centre of China Galaxy Securities by the end of the reporting period.

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