



國泰君安國際

GUOTAI JUNAN INTERNATIONAL

Stock Code 股份代號 : 1788.HK

ROOTED AND
REACHING
務實進取

ESG

2025

環境、社會及管治報告
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



服務創造價值，專業守護信賴

Service Creates Value, Expertise Safeguards Trust

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1. About Guotai Junan International

About Guotai Junan International

Guotai Junan International has been established in Hong Kong for over 30 years. In 2010, it became the first Chinese securities company approved by the China Securities Regulatory Commission for listing its shares on the Main Board of the Stock Exchange through an IPO.

As one of the leading international financial centers, Hong Kong is a prime location for financial services and home to many large financial institutions. Strategically located in the heart of Asia, Hong Kong is closely integrated with the Mainland China and well-connected globally. Its robust legal system, straightforward and low tax regime, free flow of capital, comprehensive range of financial products and services, and abundant financial expertise contribute to long-term competitiveness of Hong Kong as a financial hub. Adhering to the vision of being “based in Hong Kong, supported by the Mainland China and serving the world”, the Group expands its business development into the Greater Bay Area and Southeast Asia through subsidiaries in Singapore, Vietnam and Macao, serving as a conduit linking high-quality enterprises with capital markets in China and the world. Leveraging the strong brand advantage of the parent company GTHT, its extensive customer base, and robust capital support, the Company plays a pivotal role in the parent company’s international development strategy and paves the way for its global development.

Our Business

In recent years, the Company has fully implemented its diversified development strategy, successfully transforming from a “brokerage oriented” securities firm into a large “integrated financial services provider” with a broad range of business sectors. With solid business capabilities and a strong shareholder background, the Group has developed four core business segments: wealth management, institutional investor services, corporate finance services, and investment management.

Integrated Financial Services Provider

Wealth Management

Providing comprehensive financial services and solutions to individual investors, small to medium-sized businesses and family office, including brokerage, loans and financing (mainly margin business) and other wealth management services.

Institutional Investor Services

Providing market making, investments, structured product solutions and other services to corporations, governments and financial institutions, and also include investments to support the above services.

Corporate Finance Services

Providing advisory services, placing and underwriting services of debts and equity securities.

Investment Management

Providing asset management and fund management services to institutions and individuals, and also includes investment in funds, debts and equity securities.

2. Message from the Board



The global economic landscape is undergoing profound restructuring. The low-carbon transition, digital transformation, and responsible investment have become core strategic directions driving the long-term competitiveness of the financial industry. As a comprehensive financial services provider rooted in Hong Kong and connecting China with global capital markets, Guotai Junan International has always upheld the philosophy of “Finance for Good, Finance for the People”. We regard ESG as a core pillar of the Group’s long-term development, and forge ahead steadily in serving national strategies, facilitating industry transformation and creating long-term value with sound governance, innovative services and responsible operations.

In 2025, under the oversight and leadership of the Board and the concerted efforts of all colleagues, the Group’s ESG development has entered a new phase with remarkable achievements. In terms of ESG governance, we have established a three-tier structure of “The Board – ESG Committee – ESG Working Group”, fully integrating ESG (including climate change-related) risks, business ethics, data security and sustainable finance into the three lines of defence risk management, and laying a solid foundation for sustainable development with rigorous internal controls and a robust compliance culture. In green operations, we achieved operational carbon neutrality for the third consecutive year, with continuous reductions in GHG emissions and waste output, and steady improvements in energy efficiency, honouring our climate action commitments with concrete actions. In social responsibility, we have put clients first to advance digital transformation and financial inclusion, strengthened investor education and protected customer rights; we put people first to consolidate our development foundation, upheld diversity, equality and talent priority, and continuously enhanced employee well-being and the talent development system; and we put responsibility first to actively engage in public welfare initiatives, connecting social well-being with the warmth of finance. In sustainable finance development, we have deeply integrated ESG factors into the entire process of investment, financing and wealth management, completing 93 sustainable finance projects throughout the year and directing over HK\$240 billion of capital to sectors of low-carbon transition, technological innovation and high-quality development, serving as a vital bridge linking the real economy with green capital.

2. Message from the Board

With all-round efforts and solid performance, the Group's MSCI ESG Rating has been upgraded to AAA, the highest level; our S&P Global score outperforms nearly 81% of global peers; and we have received a host of authoritative accolades including ESG Leading Enterprise, Asia Sustainability Award and Asia's Best Employers, further consolidating our role as an industry benchmark. These achievements are not only a strong recognition of our work from the market, but also reinforce our confidence and determination to pursue sustainable development.

Standing at a new starting point, the Board will continue to provide strategic guidance, and promote deeper integration of ESG into the Group's core strategies from a higher stance and broader vision. We will further enhance ESG governance and risk management, strengthen climate-related governance and transition planning to support the national "dual carbon" goals; expand the capacity of green and sustainable financial services, and inject strong impetus into the green transition of the real economy with innovative products and professional services; stay people-oriented, continue to care for employees, give back to communities and protect the environment, acting as a responsible and caring corporate citizen; and improve the quality of information disclosure and stakeholder engagement, delivering long-term and stable value returns to shareholders in a more open, transparent and responsible manner.

"Rooted in Hong Kong, Backed by the Country, Serving the World" is our unwavering strategic positioning; "Upholding Integrity and Innovation, Striving for Good" is our consistent value pursuit. The Board firmly believes that only by balancing commercial, social and environmental values can an enterprise navigate through cycles and achieve sustainable success. Going forward, we will stay true to the fundamental role of finance, and elevate sustainable development to new heights with strategic vision, professional dedication and a sense of responsibility. We are committed to becoming a respected, fully leading and internationally competitive sustainable finance benchmark, contributing to the global sustainable development agenda.





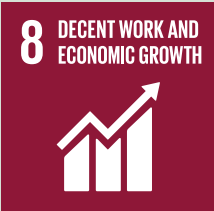
The Board

Guotai Junan International Holdings Limited





Hong Kong, 25 March 2026

3. Contributing to UNSDGs

The Company continues to exemplify its dedication to sustainable business practices by aligning its ESG action plan with the UNSDGs. Our commitment extends beyond delivering financial returns to shareholders, focusing equally on fostering a sustainable future for stakeholders throughout our value chain and the wider community.

UNSDGs	The Group Actions/Commitments
 <p>Target 3.8</p>	<ul style="list-style-type: none"> • Providing medical insurance packages, life insurance, disability insurance, business travel insurance, annual medical check-ups and dental benefits to ensure quality healthcare benefits for employees • Organizing health and wellness workshops focused on mental and physical well-being to support employees' overall health
 <p>Target 4.4, 4.7</p>	<ul style="list-style-type: none"> • Partnering with GTHT Training Center, offering employees access to over 10,000 online training courses in a diverse range of topics • Maintaining an e-learning platform for all employees, covering subjects such as product knowledge, data privacy, cybersecurity, credit and market risk management and corporate social responsibility, as well as code of conduct, including conflicts of interest, protecting information, bribery, corruption, insider dealing, whistleblowing and ESG practices • Promoting financial literacy by launching the "Inclusive Finance – Investment Encyclopedia" on its social media and website
 <p>Target 5.1, 5.5</p>	<ul style="list-style-type: none"> • Promoting equal employment opportunities and eliminating gender discrimination in the recruitment process and remuneration determination • Ensuring that gender equality-related awareness is integrated into daily work practices and the corporate culture
 <p>Target 7.2, 7.3</p>	<ul style="list-style-type: none"> • Integrating energy-saving initiatives into the office, such as upgrading office appliances to enhance energy efficiency • Prioritizing sectors focused on improving energy use, such as electric vehicles and renewable energy, in investment decisions • Assisting in financing green projects that utilize renewable or clean energy to support the global advancement of energy efficiency and the increase in the adoption of renewable energy worldwide
 <p>Target 8.3, 8.4, 8.6</p>	<ul style="list-style-type: none"> • Supporting the sustainable development of the broader economy by investing in high-quality, innovative and sustainable companies, and assisting clients in financing ESG-related projects • Maintaining a management trainee program to provide university graduates with the skills and knowledge essential for a career in the financial services industry

3. Contributing to UNSDGs

UNSDGs	The Group Actions/Commitments
 <p>Target 9.4</p>	<ul style="list-style-type: none"> • Assisting clients in raising capital to adopt clean and green technologies for sustainable growth • Supporting the fundraising efforts of an enterprise that drives green low-carbon transformation and upgrading, alongside initiatives in carbon capture, utilization and storage, as well as low-carbon operational management
 <p>Target 12.2, 12.5</p>	<ul style="list-style-type: none"> • Implementing a range of water-saving and waste reduction measures • Initiating waste recycling and reuse campaigns • Adopting and promoting green procurement practices while incorporating ESG factors into the tendering process to better manage environmental and social risks in the supply chain
 <p>Target 13.1</p>	<ul style="list-style-type: none"> • Identifying climate-related risks and opportunities while taking proactive measures to enhance climate resilience and reduce environmental impact • Setting forth the climate change-related responsibilities at all levels within the organization in the Climate Change Policy • Exploring green and sustainable finance opportunities to invest in and support companies committed to making a positive impact on environmental sustainability
 <p>Target 16.3, 16.5</p>	<ul style="list-style-type: none"> • Establishing a comprehensive and effective risk management and internal control system • Conducting business with the highest ethical standards and maintaining zero tolerance for any form of bribery, corruption, extortion, or fraud • Requiring all employees to participate in ABC trainings

4. ESG Highlights and Milestone

4.1. Performance Highlights



Financial Performance

Revenue
HK\$6.23 billion

Profit Attributable to
Owners of the Company
HK\$1.345 billion

Cumulative Dividends Since Its Listing
HK\$6.75 billion

Credit Rating by Moody's
Baa2

Credit Rating by Standard & Poor's
BBB+



Sustainable Finance Performance

Total Number of Sustainable
Finance Business Projects
93

Total Investment That Employs
ESG Integration
HK\$26.54 billion

Sustainable Finance Business Total Issuance Scale
HK\$247.5 billion



Environmental Performance

Energy Consumption Intensity
0.01 MWh/sq. ft

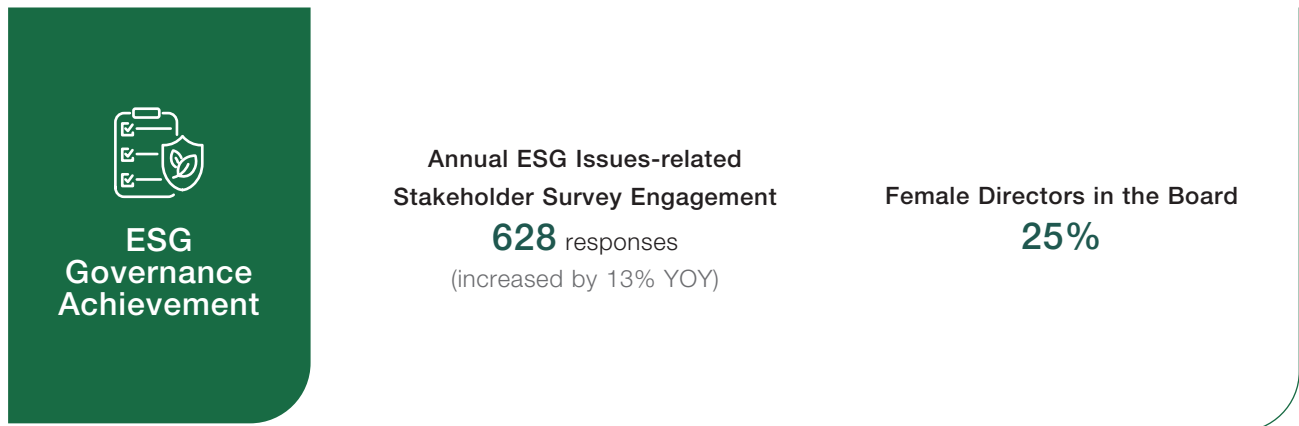
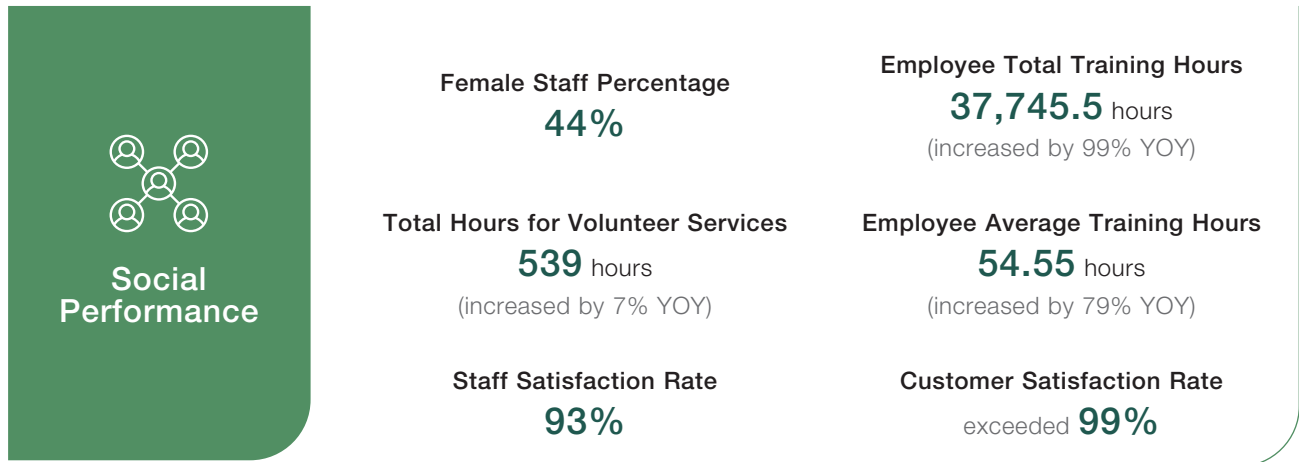
Total Hazardous Waste
1.53 tonnes
(decreased by 33% YOY)

Hazardous Waste Recycling Rate
100%

Total Non-hazardous Waste
14.57 tonnes
(decreased by 11% YOY)

Achieved **Carbon Neutrality** at Operational
Level for the Third Consecutive Year

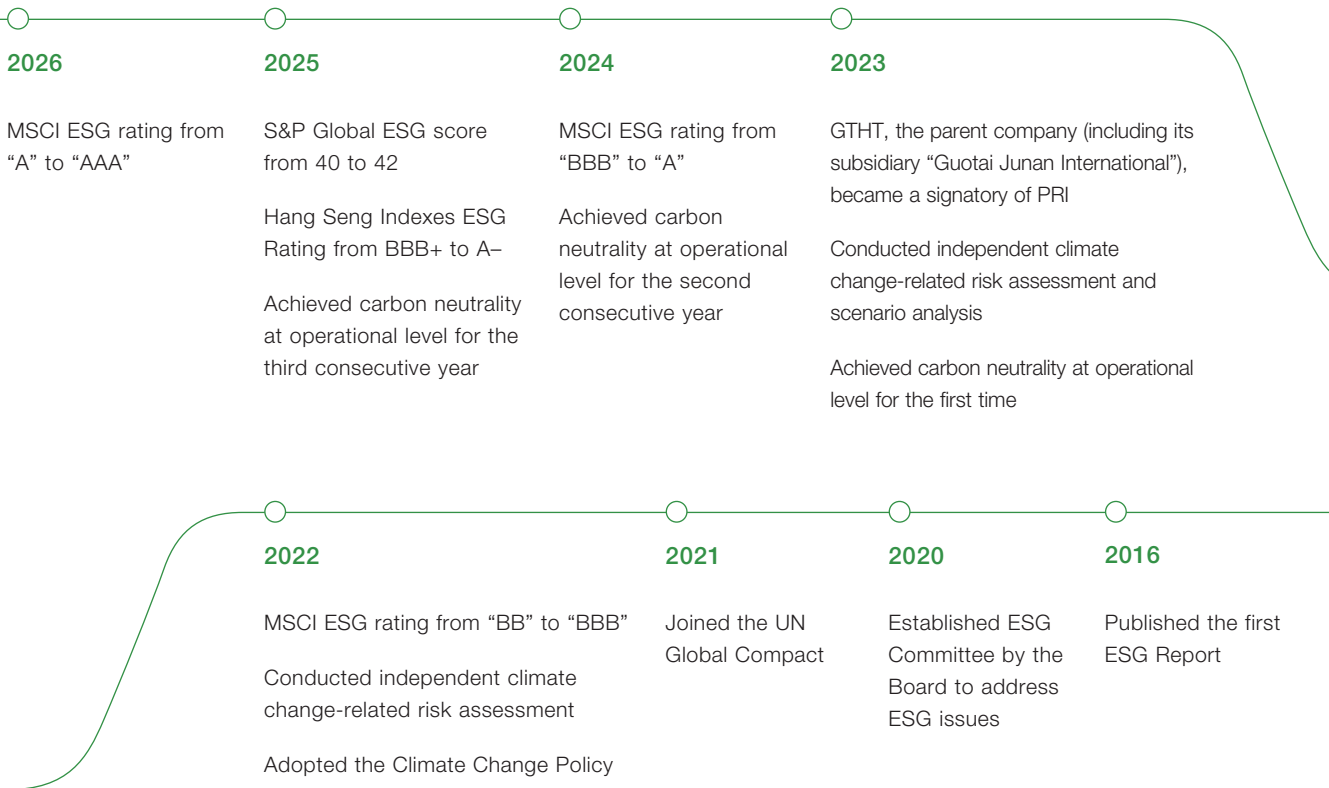
4. ESG Highlights and Milestone



4. ESG Highlights and Milestone



4.2. ESG Milestone



4. ESG Highlights and Milestone

4.3. Awards and Achievements

ESG Ratings	Highlights
 <p>MSCI ESG RATINGS AAA</p>	<p>In March 2026, MSCI upgraded the Company’s ESG rating from “A” to the highest rating, “AAA”.</p>
 <p>恒生指數 HANG SENG INDEXES</p>	<p>In 2025, Hang Seng Indexes upgraded the Company’s ESG rating from “BBB+” (Normal) to “A-” (Responsive).</p>
 <p>S&P Global Ratings</p>	<p>In 2025, S&P Global ESG score increased from 40 to 42, leading nearly 81% of peers globally.</p>
 <p>Wind ESG</p>	<p>In 2025, the Company maintained a Wind ESG rating of “A”.</p>
 <p>商道融绿 SynTao Green Finance</p>	<p>In 2025, the Company maintained a SynTao Green Finance ESG rating of “A”.</p>
ESG Memberships	Highlights
 <p>PRI Principles for Responsible Investment</p>	<p>GTHT, the parent company (including its subsidiary “Guotai Junan International”), has become a signatory for PRI since 2023, committing to follow the six PRIs.</p>
 <p>UN GLOBAL COMPACT</p>	<p>As the first Chinese securities firm in Hong Kong joined the UN Global Compact, the Group submitted annual Communication on Progress (CoP) for the consecutive year since 2021, disclosing the practical actions it has taken or planned to implement the 10 principles of the UN Global Compact in four areas: Human Rights, Labor, Environment and Anti-corruption.</p>
 <p>HKGFA 香港綠色金融協會 Hong Kong Green Finance Association</p>	<p>As an institution member of Hong Kong Green Finance Association, the Group participates in 1) Green and Sustainable Private Equity Working Group; 2) Green Bonds and Product Innovation Working Group; and 3) ESG Disclosure and Integration Working Group, jointly supporting and promoting the development of green finance and green investment concepts.</p>

4. ESG Highlights and Milestone

ESG Awards and Charters

Highlights



Bloomberg Businessweek:

- ESG Leading Enterprises 2025
- ESG Leading Initiatives – Leading Environmental Initiatives
- ESG Leading Initiatives – Leading Social Initiatives



Bloomberg Green:

- 2026 Ones to Watch List – Green Financial Institution List



Corporate Governance Asia – “The 15th Asia Excellence Awards”:

- Best Investor Relations Company
- Sustainable Asia Award



RoadshowChina:

- Best ESG Award



HKQAA:

- “Green and Sustainable Finance Awards 2025”: Green and Sustainable Loan Issuance Institution Contribution Award (Securities and Financial Services Sector) – Outstanding Vision in Sustainability-Linked Loan Performance Indicators
- Gold Seal for the Pilot Program on sustainability-related financial information disclosure



HR Asia:

- Best Companies to Work for In Asia 2025
- Most Caring Company Awards



Gelonghui:

- ESG Excellence IR Team

4. ESG Highlights and Milestone

ESG Awards and Charters

Highlights



“Caring Company” recognized by The Hong Kong Council of Social Service for the 11th consecutive year in 2025.



“Family-Friendly Employers Award” awarded by Hong Kong Family Council for the 8th consecutive year in 2025.



“Good Employer Charter” recognized by Hong Kong Labor Department for the 7th consecutive year in 2025.



“Happy Company Award” awarded by the Promoting Happiness Index Foundation and Hong Kong Productivity Council for the 8th consecutive year in 2025.



“Mental Health Workplace Charter” granted by Hong Kong Department of Health, Labor Department, and Occupational Safety and Health Council for the 5th consecutive year in 2025.



“Green Office Awards Labelling Scheme (GOALS)” certification and the “Eco-Healthy Workplace” logo awarded by the World Green Organization for the 8th consecutive year in 2025.

5. ESG Governance



5.1. ESG Vision, Objectives and Strategies

On the path to becoming a “Well Respected, Comprehensively Leading and Internationally Competitive” financial services provider, the Group steadfastly adheres to its philosophy of “Finance for the Good” and “Finance for the People”. The Group regards sustainability as a fundamental pillar for long-term development, and is proactively integrating ESG (including climate-related) principles into its business operations and management.

ESG Vision

The Group’s ESG vision is to enhance long-term returns for its shareholders by adopting responsible business practices. Adhering to the ESG vision, the Group takes social and environmental needs into consideration in its business operations and has set the overall ESG objectives and strategies from the perspective of people, environment, business and community, respectively.

ESG Policy

The Group has its ESG Policy in place, setting out specific management measures and strategies to meet its ESG objectives in four focus areas (as set out hereunder) and clarifying the overall direction of the Group’s ESG development in the next few years.

5. ESG Governance

Focuses in ESG Policy**People**

Provide equal employment opportunities, foster a supportive and quality working environment, advocate a diverse and inclusive workplace and culture, uphold employees' rights and interests, and facilitate meaningful communications within the Group.

**Environment**

Address environmental issues and reduce the environmental impact. Going beyond compliance with applicable legal and regulatory requirements, the Group's objective is to assess, avoid and mitigate environmental risks and impacts arising from its activities.

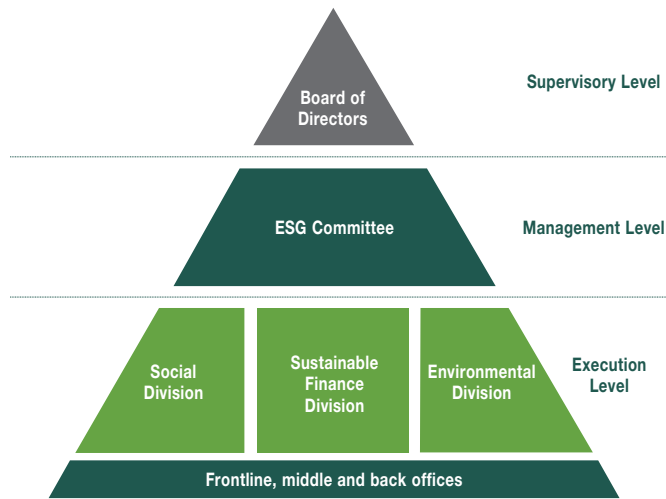
**Business**

- For sustainable finance, the Group adheres to promoting sustainable business practices while improving the risk return profile of the overall portfolio;
- For product responsibility, the Group's objective is to gain customer trust in products and services, and to provide sufficient information to them to make informed investment decisions; and
- For supply chain management, the Group's objective is to reduce environmental and social risks along the supply chain.

**Community**

As one of the integrated financial institutions in Hong Kong, being a part of the society, the Group's objective is to support the community through professional services and a diverse range of initiatives such as providing charity supports and taking part in volunteer activities.

5.2. ESG Governance Structure



ESG Governance Structure	Major Duties
Supervisory Level	
The Board	<p>The highest governing body of the Group’s ESG issues and is ultimately responsible for overseeing matters concerning ESG (including climate-related issues) of the Group, covering ESG-related risks, material issues, governance, policies, objectives and strategies, performance, and reporting.</p> <p>For climate-related governance structure and duties, please refer to section 7.2.1. Climate-related Governance of this Report.</p>
Management Level	
ESG Committee	<p>Established by the Board as a functional committee and chaired by an INED, the ESG Committee comprises members responsible for key functions including corporate governance, legal and compliance, risk management, human resources functions as well as asset management, and investment businesses. The ESG Committee reports to the Board at least once a year.</p> <p>The ESG Committee is responsible for advising on and strengthening the Group’s ESG management by setting the sustainability vision and strategies, identifying ESG (including climate-related) risks and opportunities, and ensuring compliance with ESG policies and regulations. It also develops and reviews ESG policies, engages stakeholders, and monitors ESG trends that may affect the Group’s operations.</p> <p>For details regarding the composition, meeting frequency and major work performed during the year, please refer to the section headed “ESG Committee” under the “Corporate Governance Report” of the 2025 Annual Report of the Company.</p>

5. ESG Governance

ESG Governance Structure	Major Duties
Execution Level	
ESG Working Group	For better execution of the ESG policies and plans, the ESG Working Group is set up under the ESG Committee and comprises functional divisions, namely Social Division, Sustainable Finance Division and Environmental Division. Members include persons in charge of frontline, middle, and back offices.
	Each functional division is responsible for setting targets and formulating specific work plans according to the Group's ESG strategies and goals.
Frontline, middle and back offices	The frontline, middle, and back offices are responsible for integrating ESG considerations into daily operations, implementing ESG work plans, achieving ESG targets, gathering ESG information, and reporting back to the ESG Working Group.

5.3. ESG Risk Management and Internal Controls

5.3.1. Risk Management Policies and Procedures

Risk Management and Internal Controls

The Group's long-term success is built upon a robust internal control environment and a resilient risk management framework. A strong culture of controls underpins this foundation, establishing clear behavioral expectations for both the individuals and the organization, shaping their collective ability to anticipate, manage, and respond effectively to emerging risks, and to navigate current and future challenges.

Risk Management Governance Structure	Major Duties
Supervisory Level	
The Board	The Board has overall responsibility for evaluating and determining the risk appetite and risk tolerance (including ESG risks) that the Group is willing to take into achieving its strategic objectives, maintaining a sound risk management system and reviewing its effectiveness on a regular basis.
Risk Committee	The Risk Committee of the Board is delegated to oversee the management in design, implementation and monitoring of risk management system, and approve the Group's risk policies and risk tolerance. The Risk Committee of the Board reviews the effectiveness of the Group's risk management system (including legal and compliance risks which cover ABC and AML issues, etc.). CRO and CCO are accountable to the Risk Committee of the Board.
	Please refer to the section headed "Risk Committee" under the "Corporate Governance Report" of the 2025 Annual Report of the Company for details.

Risk Management Governance Structure	Major Duties
Management Level	
Management and Management Committees	<p>The management and specific committees including but not limited to the Asset Liability Management Committee, Risk Management Committee, Investment Banking Committee, Institutional Business and Trading Committee, Retail and Wealth Management Committee and Investment Committee are responsible for endorsing risk appetite and limits across business units, products, legal entities, and risk categories, in alignment with the enterprise risk appetite. They also approve new products and significant transactions, while conduct regular reviews of all risks.</p> <p>The management shall, regularly and when necessary, report to the Board on material risk issues that may affect the Group’s performance.</p>
Execution Level	
Risk Management Functions	<p>The Risk Management Department and other control functions, namely legal and compliance, settlement/operation, IT, human resources and finance departments, perform independent risk management, oversee the Company’s risk-taking activities and assess risks and issues independent of frontline units, as well as escalate any risk-related issues to the management and committees appropriately.</p>

Risk Management Framework, Policies and Procedures

The Group has established comprehensive risk management policies and procedures, anchored by a Group-wide Risk Framework that articulates the risk culture, governance structure, risk appetite, key risk types, and overall risk management process. It outlines the responsibilities of frontline units, risk management, internal audit, and other control functions in managing risks. Additionally, it details the Group’s risk management approach and identifies key types of risks, ensuring alignment with regulatory expectations, including those set by the SFC.



5. ESG Governance

To effectively manage significant risks, the Group maintains a range of supporting policies and guidelines that provide mechanisms for identifying, measuring, monitoring, and controlling risks. These policies are reviewed and updated regularly to stay aligned with market dynamics, regulatory expectations and evolving business strategies. Ongoing guidance is provided to subsidiaries, supported by centralized oversight at the group level, to enhance risk management capabilities and ensure full compliance with local regulatory requirements.

The Group regularly evaluates the identified risks by assessing their financial materiality, regulatory significance, and strategic relevance. Scenario analysis and stress testing are conducted across a wide range of severe but plausible situations, including political instability, policy shifts, economic downturns, and systemic financial disruptions. These exercises determine the potential effects on the Group's portfolios and capital position, with the results informing adjustments to risk appetite, contingency planning, and escalation to senior management. This proactive approach enables early identification, quantification, and integration of emerging risks into decision-making and reporting processes, reinforcing the institution's ability to withstand adverse conditions.

The Group has further enhanced its risk assessment framework by integrating climate-related risks, including physical and transition risks, into the regular risk evaluation processes. For more details on the climate-related risks assessment approach and results, please refer to Section 7.2. Tackling Climate Change of this Report.

ESG Risk Management

Recognizing the material influence of ESG factors on its long-term resilience, the Group has embedded ESG risk considerations throughout its Risk Framework and daily operations. In 2025, the Group has further strengthened this framework by updating its ESG Risk Management Policy, which formalizes the principles, processes, and governance structures required to identify, assess, monitor, and mitigate ESG-related risks across all risk types and business lines. The policy also establishes clear escalation protocols and reporting mechanisms to ensure that ESG risks are managed effectively and transparently at both the functional and group levels.

Effective ESG risk management remains a priority for the Group, particularly in addressing risks that may affect operations, financial stability, or long-term sustainability. The Group's ESG risk identification, monitoring, assessment, and early warning mechanisms closely track the interconnections between ESG factors and other risk categories. When potential ESG risks are identified, each business unit evaluates their possible impacts on operations, reputation, and overall sustainability, considering both direct and indirect effects such as financial losses, legal consequences, and reputational harm. Based on these evaluations, appropriate mitigation measures are developed, which may include implementing new policies, adopting sustainable practices, investing in environmentally friendly technologies, or strengthening governance frameworks. Potential high-impact or severe ESG events that could adversely affect the Group's business are escalated promptly through defined channels and are subject to early warning procedures to enable timely mitigation actions.

ESG Risk Assessment

The Group conducted a comprehensive ESG risk assessment and developed an ESG risk inventory. This inventory is reviewed annually to incorporate insights from global ESG market trends and key risks relevant to the financial services industry and the Group's operations. The assessment process involved a detailed questionnaire survey, with responses gathered from the Board, management, and representatives across various business departments. ESG risks were assessed using two key criteria: likelihood of occurrence and severity of impact. These assessments were used to calculate risk priority numbers, enabling the Group to effectively identify and prioritize its most critical ESG risks. A summary of the key ESG risks is outlined below:



Compliance risk

Potential Impacts

Failure in complying with the ESG-related laws, regulations and business ethics may lead to reputational damage and extra financial or legal costs

Management Measures of the Group

- Establish a comprehensive and effective risk management and internal monitoring system
- Build and maintain a risk culture and standardize the code of conduct of employees
- Establish comprehensive risk management policies and procedures, and include ESG risk factors in the Risk Framework



Corruption and money laundering risk

Potential Impacts

Financial transactions exposed to the risk of corruption and money laundering could damage the Group's reputation and cause economic and legal consequences

Management Measures of the Group

- Formulate AML and ABC-related manuals and establish financial crime compliance working group
- Require all employees to complete annual AML and ABC refreshment training on an annual basis
- Formulate internal complaint handling mechanism and incident reporting procedures for employees to report any suspected misconduct or violation within the Group regarding bribery, corruption and money laundering

5. ESG Governance



Information security risk

Potential Impacts

Failure of IT systems due to malicious attacks may result in data leakage or business disruption, causing financial and reputational damage

Management Measures of the Group

- Establish the Use of Generative AI Language Model Policy in 2025 to govern the usage of generative AI language model
- Designate committee to monitor the effectiveness of IT systems and online trading platforms
- Appoint external IT experts to conduct annual cybersecurity audit
- Formulate emergency and recovery plans to respond to cyber-attacks
- Provide cybersecurity training for employees regularly



Environmental pollution risk

Potential Impacts

The poor environmental performance of the investees may lead to higher financial risks or negative impact on sustainable portfolio performance

Management Measures of the Group

- Actively practise sustainable finance and responsible investment in the investment and financing business and integrate ESG criteria into business decision-making process to avoid and reduce the environmental pollution risk throughout the value chain
- Enhance the ESG policies for investment management business, incorporate ESG factors into the investment decision-making and post-investment procedures, and adopt negative ESG screening, to avoid the industries with higher environmental pollution and other ESG-related risks
- Provide training to relevant personnel, improving their awareness of environmental pollution risks among the investment and finance business value chain

The Group remains committed to ongoing ESG risk assessments and continuous improvement of its methodologies, criteria, screening tools, and scenarios to address evolving business needs.

ESG Risk Integration

At the operational level, ESG risk assessments are integrated into decision-making processes, including client onboarding, business acceptance, project evaluation, investment and credit approvals, and ongoing portfolio management. ESG considerations form an integral part of risk identification, assessment, scenario analysis, stress testing, and reporting, with specific escalation pathways in place for material exposures or emerging controversies. The Group continuously reviews and refines its ESG methodologies, screening tools, and evaluation criteria to maintain alignment with evolving best practices and regulatory expectations.

Each business unit and function participate in a systematic ESG risk identification and evaluation process. Once potential risks are identified, relevant units shall assess possible financial, operational, legal, and reputational impacts, and develop appropriate mitigation measures. These may include introducing new policies, adopting sustainable practices, investing in environmentally friendly technologies, or strengthening governance frameworks.

To support frontline businesses, the Group has implemented business-line specific ESG policies and strategies, such as the Asset Management Proxy Voting Policy, Climate-related Risk Management Policy for the asset management business, Guidance on ESG-related Investment for the private equity business, and the Sustainable Finance Policy for principal investment activities. ESG considerations are also incorporated into the CDD process, where designated ESG personnel conduct detailed assessments and assign ESG scores to support investment and financing decisions. For more details on the ESG integrations into our frontline businesses, please refer to Section 8. Green and Sustainable Finance of this Report.

In addition, ESG risks related to procurement and outsourcing are managed under Procurement Management Policy and outsourcing guidance. These policies outline the risk assessment, due diligence, approval, and monitoring requirements for outsourced services, addressing issues such as data security, compliance, and ESG performance of service providers. Regular reviews, performance evaluations, and escalation mechanisms are integrated into the operational risk framework to ensure ongoing control and accountability.

ESG Risk Monitoring and Reporting

To ensure the ongoing effectiveness of these measures, each business unit monitors key ESG risk indicators on a continuous basis. Monitoring activities are integrated into the Group's broader operational risk management framework, ensuring a holistic approach to risk management. This integration strengthens accountability and embeds ESG factors within the Group's overall control culture.

The Group performs semi-annual ESG risk monitoring across its investment and financing activities, with quarterly reviews or trigger-based assessments for higher risk exposures. Monitoring activities include but not limited to:

- Periodic ESG screening against exclusion and watch lists;
- Tracking of key ESG indicators, such as carbon intensity, controversial incidents, and regulatory breaches;
- Periodic deep-dive reassessment of material exposures, where applicable; and
- Annual scenario analysis and climate-related stress testing based on NGFS scenarios.

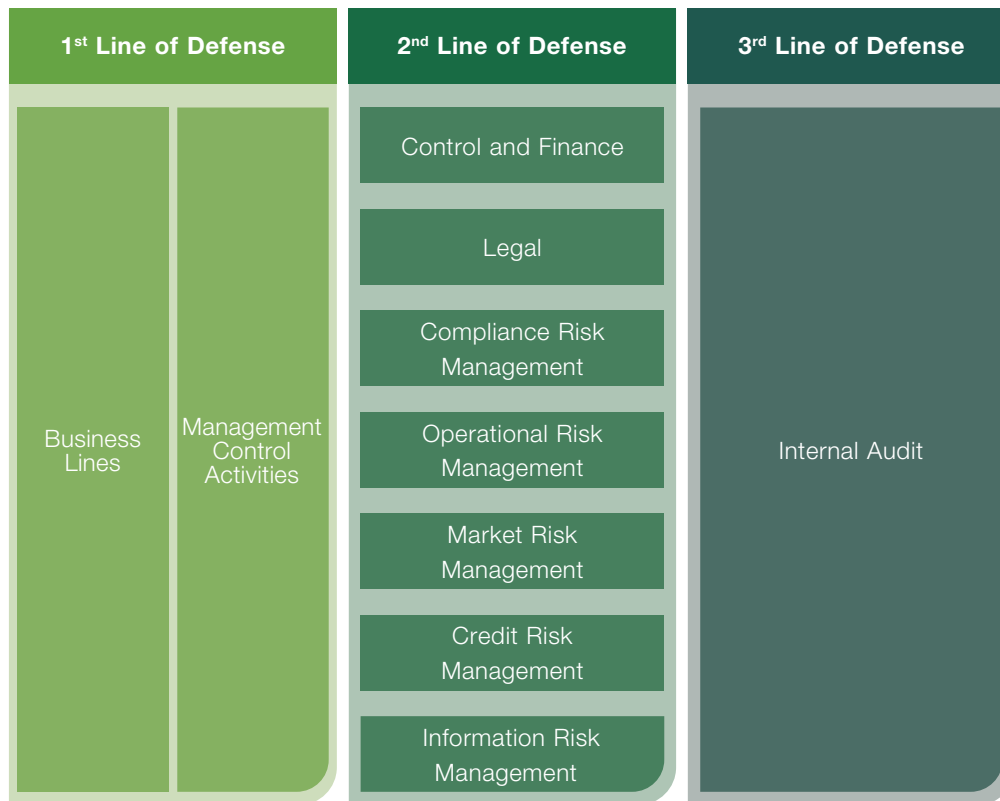
Any significant deterioration in a client's ESG profile or emerging controversy is promptly escalated to relevant risk teams and senior management. Where appropriate, mitigation actions, such as enhanced monitoring, client engagement, or portfolio adjustments, would be initiated. ESG performance metrics and risk indicators are systematically reported to senior management and the Risk Management Committee, ensuring continuous oversight and timely decision making.

For more details on the ESG risk management measures, please refer to Section 6.3. Sustainable Supply Chain and Section 8. Green and Sustainable Finance of this Report.

5. ESG Governance

5.3.2. Three Lines of Defense

The Group has implemented the Compliance Charter and Framework, among other things, a three lines of defense risk management model to effectively mitigate and manage compliance, operational, and business-related risks.



The business lines and management, the first line of defense, develop and implement and embed risk mitigation activities, including approving policies and procedures, providing for training, monitoring and reporting compliance risk-related activities. The managers at this level manage compliance risk daily and bear the consequences of any losses.

The compliance function, the second line of defense, partners with other functions to identify and manage compliance risks, advising the business lines and the management on compliance matters. It also assists the management to prepare and enforce the policies and procedures and perform other tasks, including enforcing the Internal Disciplinary Policy. The CRO and CCO report to and are accountable to the Risk Committee of the Board.

The internal audit function, the third line of defense, provides an independent and objective perspective, scrutinizing the overall effectiveness of the design and operation of internal controls performed by the first and second lines of defense. It is responsible for conducting independent audits and assessments. The audit scope of the internal auditor covers all business operations of the Group, including but not limited to the effectiveness of policies and controls related to ESG matters and business ethics topics, such as financial crime compliance, privacy policy compliance, and information security systems. The head of the Internal Audit Department reports to and is accountable to the Audit Committee of the Board.

5.4. Business Ethics

5.4.1. Business Ethics Governance

Business Ethics Governance Structure	Major Duties
Supervisory Level	
The Board	The Board is ultimately responsible for the ethics issues. The Compliance Charter and Framework was adopted by the Board.
Risk Committee	<p>The Risk Committee of the Board is delegated to assist the Board to oversee the risk management system of the Group, including legal and compliance risks which cover ABC and AML issues, etc.</p> <p>The CRO and CCO are accountable to the Risk Committee of the Board.</p>
Audit Committee	<p>The Audit Committee of the Board is delegated to assist the Board to oversee (including but not limited to) the internal control system of the Group as well as the whistleblowing mechanism.</p> <p>The head of the Internal Audit Department is accountable to the Audit Committee of the Board.</p>
Management Level	
Financial Crime Compliance Working Group	<p>Members include but not limited to CCO, manager-in-charge of AML, heads of Human Resources Department, IT Department, Operations Department and respective business departments and/or responsible officers of relevant business units.</p> <p>It is responsible for overseeing the development and implementation of the Group’s AML and ABC risk management measures and framework.</p>
Execution Level	
Designated Financial Crime Compliance Team	Under the Legal and Compliance Department, it is responsible for ensuring the Group complies with the ABC and AML policies and manuals, monitoring the execution and implementation of various ABC and AML efforts by each department and reporting any incidents to management in a timely manner.
Internal Auditor	Internal auditor audits the ABC policies and practices independently on all operations, sites and subsidiaries of the Group.

5. ESG Governance

5.4.2. Business Ethics Management*Staff Integrity*

The Group demonstrates its strong commitment to integrity and compliance through the Staff Code of Conduct, which applies to all employees. The Code promotes a workplace culture grounded in strict legal and ethical standards and covers key areas such as the Group's mission, restrictions on public communication, protection of client data and assets, prohibition of insider trading and market manipulation, adherence to the SFC's Code of Conduct, stringent AML practices, ABC policies, record-keeping requirements, and mechanisms for reporting and addressing staff misconduct and grievances. Violations of these requirements may result in disciplinary action, underscoring the Group's dedication to maintaining high standards of conduct. A summary of the Staff Code of Conduct is available on the website of the Company under the "ESG Info" section.

ABC Policies

The Group conducts its business with the highest ethical standards and maintains zero tolerance for any forms of bribery, corruption, extortion, or fraud. A series of group-wide policies, including the Compliance Manual, ABC Policy, and Staff Dealing and Outside Appointments Policy, along with other relevant procedures and internal controls, have been implemented to ensure compliance with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and other applicable local laws and regulations.

Under the ABC Policy, the Board reinforces its "tone from the top" approach, demonstrating a strong stance against bribery and corruption and full compliance with all applicable laws and regulations. The policy applies to all subsidiaries, and all agents, including directors, employees, senior management, licensed individuals, and account executives, are expected to uphold the highest standards of professional conduct. This includes acting with openness, fairness, honesty, and integrity; respecting confidentiality; declaring conflicts of interest; avoiding deception; and taking proactive measures to prevent or report corrupt practices or professional misconduct. In addition, controls are in place to regulate expenses related to entertainment and personal benefits, and supported by thorough due diligence in business partners.

The Staff Dealing and Outside Appointments Policy has been updated to mitigate compliance risks, including the introduction of pre-trading approval requirements and mandatory trade details input. A summary of the ABC Policy is available on the website of the Company under the "ESG Info" section.

During the Reporting Period, the Group conducted its annual review and amendment of relevant policies to ensure their effectiveness and alignment with regulatory requirements.

The Group also requires all business partners, including contractors, suppliers, service providers, consultants, representatives, and other stakeholders performing work or services on behalf of the Group, to maintain policies, programs, or controls relating to ABC that fully comply with applicable laws and regulations. These business partners must acknowledge the Group's ABC standards and commit to full compliance with relevant regulations and policies. For more details, please refer to Section 6.3. Sustainable Supply Chain of this Report.

Conflict of Interest

Conflicts of interest are addressed as part of the Group's anti-corruption prevention framework. The Conflicts of Interest Guidelines have been established to govern the acceptance of gifts and entertainment by staff, thereby avoiding potential conflicts of interest. The Group is committed to prioritizing the interests of capital markets and its clients. In line with the ABC Policy, the Group ensures that conflicts of interest among clients, shareholders, the Group, and other stakeholders are identified, prevented, and managed effectively. All staff members are required to declare any personal interests that may exist in any significant matter(s) in which they are involved.

The Group has updated its Guidelines on Restricted List and Watch List, which set out restrictions and controls for handling material non-public information and managing actual or potential conflicts of interest. All employees are subject to the restrictions imposed by the restricted list, which applies to all securities and/or financial instruments related to the issuer/company.

Whistleblowing Mechanism

The Group is committed to maintaining the highest standards of openness, integrity, and accountability, as reflected in its Whistleblowing Policy. This policy encourages employees and external stakeholders (e.g., customers, suppliers, creditors, and debtors) to report any suspected wrongdoing within the Group. It covers a broad range of serious concerns, including non-compliance with legal or regulatory requirements, malpractice related to internal controls, accounting, auditing, and financial matters, endangerment of health and safety, unethical behavior, bribery, corruption, and the deliberate concealment of such actions.

The Group is dedicated to protecting whistleblowers from retaliation, ensuring fair treatment, and safeguarding against unfair dismissal, victimization, or unwarranted disciplinary action. Confidentiality is assured to the fullest extent possible, fostering a safe and trustworthy environment for reporting concerns.

This policy specifies distinct reporting channels for different types of concerns:

- **General Concerns:** Should be reported to the CCO by post or email (CCO@gtjas.com.hk).
- **Personnel Affairs:** Should be reported to the head of Human Resources Department by post or email (whistleblowing.hr@gtjas.com.hk).
- **If Abovementioned Standard Channels Are Inappropriate:** Sealed reports can be escalated to the Chairman of the Audit Committee of the Board through the Company Secretary by post.

While anonymous reporting is accepted, the Group encourages whistleblowers to provide their identity to facilitate thorough investigations. The policy outlines investigation and handling procedures, although the scope and duration of investigations may vary depending on the nature of the report. Investigations may involve internal departments, external auditors, or regulatory bodies as appropriate. Cases that are accepted are ultimately reported to the Audit Committee of the Board.

It is important to note that false reports made maliciously or for personal gain may result in disciplinary action against the whistleblower, including potential dismissal. The detailed Whistleblowing Policy is available on the website of the Company under the "ESG Info" section.

5. ESG Governance

Training on ABC

The Group requires all employees to participate in mandatory annual training to enhance their understanding of ABC practices. A mandatory refresher e-training course titled “Anti-Bribery and Anti-Corruption (Asia Pacific)” is available on the Group’s e-learning platform to ensure employees remain well-informed about relevant regulations and best practices.

AML/CFT

The Group demonstrates a strong commitment to preventing money laundering and terrorist financing by adhering to all applicable laws and regulations in its operations. This includes compliance with the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong) and other jurisdiction-specific requirements. The Group continuously fulfills its AML obligations, maintaining robust practices to mitigate risks effectively.

Policies on AML/CFT

The Group has established the AML Policy, which serves as a principle-based guiding document, along with the AML/CFT Manual and the CDD Manual. These policies and manuals define money laundering activities, outline the roles and responsibilities of different functions, and specify requirements for key AML efforts, including institutional risk assessment, customer risk assessment, CDD, continuous monitoring (e.g., transaction monitoring and regular reviews), suspicious transaction reporting, employee training, and record-keeping.

To further mitigate risks, the Group employs advanced monitoring systems to identify suspicious transactions, ensuring it is not misused for money laundering or terrorist financing activities.

Training on AML/CFT

Raising staff awareness of AML issues is a priority for the Group. All employees are required to attend annual AML/CFT training to ensure they remain informed about relevant laws, regulations, and best practices.

During the Reporting Period, the Group was not aware of any material breaches of laws or regulations related to corruption practices, bribery, extortion, fraud, or money laundering that would have a significant impact on the Group.

Internal audit on Key Ethics Topics

The Group ensures the effectiveness of its internal controls over key ethics areas through a structured internal audit process. The internal audit function plays a critical role in evaluating compliance with policies on ABC, AML, and conflict of interest management across all operations, sites, and subsidiaries. These audits are designed to assess adherence to ethics-related requirements, detect potential misconduct, and reinforce the integrity of the Group’s operations. A risk-based approach is adopted to ensure that all entities are audited at least once every three years.

Regular audits have covered the following topics:

- Governance structure, internal control measures, and reporting lines
- Adequacy of policies and procedures, including high-level guidelines regarding ethics and compliance risk areas, implementation, and compliance of these policies and procedures
- Controls over benefits received from (e.g., referral fees, rebates) or offered to (e.g., cash, gifts, entertainment) clients and third parties
- Controls over staff dealing and outside appointments
- Best execution practices and controls on restricted information flow
- Procurement processes, including supplier quotations and approval mechanisms
- IT systems and policies




Over the past three years, the Group has also conducted thematic audits to address specific risk areas:

- AML and expense audits were performed in addition to regular audits across all operations, sites, and subsidiaries.
- External professional firms were engaged to perform several IT audits. These audits assessed controls for addressing IT threats and vulnerabilities, including but not limited to operation of security operation center, information security and data privacy, such as third-party risk management, data leakage protection and data encryption.




5.5. Stakeholder Engagement and Materiality Assessment

5.5.1. Communication with Stakeholders

The Group prioritizes understanding and addressing the perspectives and concerns of its key stakeholders. By leveraging diverse communication channels, it maintains active engagement and has built a strong stakeholder communication framework. The Group is committed to enhancing its ESG performance in response to stakeholder feedback and to meeting their expectations.

Key Stakeholder Groups	Main Concerns	Engagement Channels
 Shareholders and Creditors	<ul style="list-style-type: none"> • Green and Sustainable Finance Products and Services • Talent Attraction, Retention and Development • Responsible Investment • Customer Services • Employee Health and Wellbeing • Information Security and Privacy Protection • Supporting the Real Economy 	<ol style="list-style-type: none"> (1) General meetings (2) Information disclosure on website of the Stock Exchange (3) Results conferences (4) Investor meetings and calls (5) Social media and company website (6) Telephone and email communications
 Government and Regulatory Authorities	<ul style="list-style-type: none"> • Compliance and Operations • Internal Control and Risk Management • Business Ethics 	<ol style="list-style-type: none"> (1) Information disclosure (2) Policy implementation (3) Participation in government surveys (4) Cooperation with regulatory authorities in inspection and review
 Customers	<ul style="list-style-type: none"> • Customer Services • Employee Health and Wellbeing • Investor Relations • Compliance and Operations • Responsible Marketing and Advertising • Internal Control and Risk Management • Business Ethics 	<ol style="list-style-type: none"> (1) Customer service hotline (2) Customer service chatbot (3) Email and mobile applications (4) Customer satisfaction surveys (5) Social media and company website

5. ESG Governance

Key Stakeholder Groups	Main Concerns	Engagement Channels
 Employees	<ul style="list-style-type: none"> • Talent Attraction, Retention and Development • Employee Health and Wellbeing • Compliance and Operations • Internal Control and Risk Management • Diversity, Equity, and Inclusion 	<ol style="list-style-type: none"> (1) Orientation and training sessions (2) Performance appraisals (3) Questionnaire surveys (4) Internal messengers and emails
 Suppliers and Business Partners	<ul style="list-style-type: none"> • Employee Health and Wellbeing • Compliance and Operations • Talent Attraction, Retention and Development • Diversity, Equity, and Inclusion • Internal Control and Risk Management 	<ol style="list-style-type: none"> (1) Meetings (2) Tendering activities (3) Supplier assessments (4) Questionnaire surveys
 Community and the Public	<ul style="list-style-type: none"> • Compliance and Operations • Diversity, Equity, and Inclusion • Employee Health and Wellbeing • Internal Control and Risk Management 	<ol style="list-style-type: none"> (1) Community investments (2) Volunteer activities (3) Donations and sponsorships (4) Environment-friendly operations (5) Responsible investments

Communications Policy and Channel

The Group actively promotes a clear understanding of its financial performance, strategic plans, ESG initiatives, and development prospects among shareholders and stakeholders. It strictly follows its Shareholders Communication Policy and Dividend Policy, both accessible on the website of the Company under the “Corporate Governance” section. The investor relations team, under the supervision of the Company Secretary, handles inquiries from investors and the media, and coordinates meetings and engagement activities. Shareholders and stakeholders may submit written inquiries to the Board through the Company Secretary. In addition, the Group also offers multiple communication channels to promote effective stakeholder engagement.

To contact the Group’s investor relations team and visit the dedicated webpage, please refer to:

Investor Relations Contact: ir@gtjas.com.hk

Company Secretary Contact: comsec@gtjas.com.hk

Investor Relations Webpage: https://www.gtjai.com/en/investor_relations

5.5.2. Material ESG Issues

Material ESG issues significantly affect both the Group and its stakeholders, reflecting the topics of greatest importance to them. The Group has identified and prioritized the key ESG issues for the year and provided targeted disclosures in this report. To ensure rigor, a third-party sustainability consulting firm was engaged this year to conduct a comprehensive annual materiality assessment.

1. Assess relevant ESG issues

- Taking the latest ESG trends, industry best practices, relevant laws and regulations, standards and frameworks from external sources into consideration, the Group has identified 23 pertinent issues including Environmental, Green and Sustainable Finance, Social, and Governance aspects. The list of identified material issues has been further categorized under Environment, Green and Sustainable Finance, Social and Governance.



2. Identify internal and external stakeholders

- The Group has identified and invited groups of internal and external stakeholders for its engagement survey, including but not limited to Board members, employees, suppliers and customers.



3. Gather key information and integrate research findings

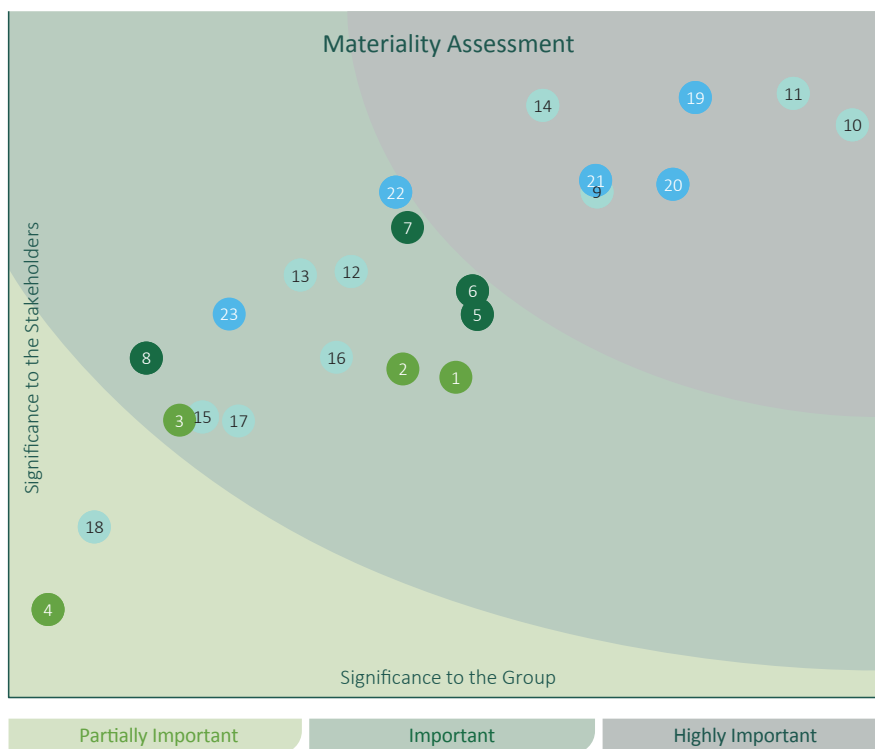
- The Group carried out the materiality assessment to gain insights into the primary concerns of key stakeholders and to understand their evaluation of the Group's ESG performance. Additionally, the Group sought their perspectives and recommendations regarding its ESG practices and future plans.
- Materiality matrices were generated with issues being examined under two dimensions, which are "Significance to the Group" and "Significance to the stakeholders"
- Seven issues have been identified as highly important including four governance issues and three social issues: Talent Attraction, Retention and Development, Employee Health and Wellbeing, Compliance and Operations, Internal Control and Risk Management, Customer Services, Business Ethics, and Diversity, Equity, and Inclusion.



4. Analyze and generate recommendations

- By analyzing the responses of stakeholders in the questionnaire, the Group sought to understand the interconnectedness of the key issue list and provide disclosure recommendations for enhancing the scope of the ESG report. The results of the materiality assessment were reviewed and endorsed by the ESG Committee and reported to the Board.

5. ESG Governance



Categories	#	Material Topics	Corresponding Sections
Environment	1	Green Office and Operation	7.3. Green Office and Operation
	2	GHG Emissions and Management	7.1. Environmental Targets
	3	Climate Change Mitigation and Adaptation	7.2. Tackling Climate Change
	4	Biodiversity and Ecosystems	6.4. Community Investment and Engagement 7.3. Green Office and Operation
Green and Sustainable Finance	5	Green and Sustainable Finance Products and Services	8. Green and Sustainable Finance
	6	Responsible Investment	8.1. Responsible Investment Practice
	7	Innovation	6.1.1. Digital Transformation to Safeguard Services and Products Responsibility
	8	Financial Inclusion	6.1.3. Investor Education
Social	9	Diversity, Equity, and Inclusion	6.2.1. Diversity, Equity, and Inclusion
	10	Talent Attraction, Retention and Development	6.2.2. Employee Management
	11	Employee Health and Wellbeing	6.2.3. Employee Health and Wellbeing
	12	Information Security and Privacy Protection	6.1.1. Digital Transformation to Safeguard Services and Products Responsibility
	13	Responsible Marketing and Advertising	6.1.2. Service and Product Integrity
	14	Customer Services	6.1.4. Customer Relationship Management
	15	Sustainable Supply Chain	6.3. Sustainable Supply Chain
	16	Community Investment and Engagement	6.4. Community Investment and Engagement
	17	Supporting the Real Economy	8.3. Green and Sustainable Finance Performance
	18	Rural Revitalization and Community Welfare	6.4. Community Investment and Engagement
Governance	19	Compliance and Operations	5. ESG Governance 6. Social Responsibility 7. Environmental Responsibility
	20	Internal Control and Risk Management	5.3. ESG Risk Management and Internal Controls
	21	Business Ethics	5.4. Business Ethics
	22	Investor Relation	5.5.1. Communication with Stakeholders
	23	Board Diversity	6.2.1. Diversity, Equity, and Inclusion

5. ESG Governance

In its reporting, the Group prioritizes material ESG issues while remaining committed to managing all ESG matters that affect its business and stakeholders, embedding ESG considerations throughout its operations. For ESG issues not identified as material this year, the Group will continue to monitor and evaluate their relevance and significance, making adjustments to its ESG material topics list as necessary.

6. Social Responsibility



6.1. Client-oriented Products and Services

6.1.1. Digital Transformation to Safeguard Services and Products Responsibility

The Group continues to advance its digital transformation strategy, strengthening technological innovation, data management, and digitalization to enhance overall business development and better meet client needs. By implementing a comprehensive IT governance framework, the Group drives internet-based customer service, visualized product analysis, and intelligent customer experience solutions, ensuring a seamless and efficient digital ecosystem.

In 2025, enhancements to the Junhong Global have further improved functionality and user experience. Key upgrades included secondary opening activation for dormant accounts, online submission of supplementary account documents, online opening and closing of trading markets, and the provision of 24/7 online trading services. The intelligent customer service platform was also expanded to integrate multiple features and deliver an innovative, AI-enabled service experience. In addition, the Cross-boundary Wealth Management Connect launched by the Group, in partnership with its parent company, creates an integrated wealth management system across the Greater Bay Area to provide seamless cross-border financial services aligned with evolving market trends and client expectations.

Institutional client services and product capabilities have also been strengthened. The over-the-counter product booking system has been comprehensively upgraded to enhance capacity and performance, while continuous iterative improvements have also been applied to institutional trading systems, including the quantitative trading management system, cross-border total return swap trading system, and market-making system. These measures ensure a robust suite of professional services for institutional clients.

The Group has also intensified its focus on data analytics and AI integration. The enterprise data platform has evolved into a fully integrated infrastructure, improving data management and service efficiency. At the same time, the Group is actively developing AI-driven solutions in customer service and product design, reinforcing its commitment to intelligent financial services and digital innovation.

Through these continuous advancements, the Group remains at the forefront of digital transformation, delivering cutting-edge solutions and elevating client experiences across all business segments.

Information Security and Privacy Protection

The Group places strong emphasis on embedding data security management across all aspects of its business to deliver a safe and high-quality experience for clients. By adhering to rigorous management and technical standards, the Group ensures compliance with applicable laws, regulations, and guidelines, thereby reinforcing network and data security while safeguarding personal information. These measures uphold operational integrity and protect the rights of clients.

In alignment with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and other relevant regulations, the Group has established the IT Risk and Security Policy. This policy is designed to standardize and support the implementation of information security controls and procedures, ensuring the confidentiality, integrity, availability, and authenticity of data assets. It provides a comprehensive framework for information security, cybersecurity, and data privacy protection across all business operations.

In light of the growing integration of AI-related functions into its products and services, the Group has newly established the Use of Generative AI Language Model Policy to regulate the application of generative AI language model by employees, contractors, and third-party vendors engaged in the development, deployment, operation, or management of AI language model systems within the organization. In addition, the IT Department will deliver training and education on AI ethics, guiding principles, best practices, risks, limitations, and regulatory requirements to staff involved in AI-related projects.

Management Structure and Framework

The Group has implemented a top-down management organizational structure to effectively oversee and manage data and cybersecurity matters, as outlined below:

Information Security and Privacy Governance Structure	Major Duties
Supervisory Level	
IT Governance Committee	Chaired by Chairman of the Board, members, include but not limited to CEO, CRO, CCO, heads of IT Department and Operations Department.
	Holds direct and functional responsibility for privacy and data security, supported by the Data and AI Governance Working Group, is responsible for overseeing data privacy and related matters.
Management Level	
Electronic trading, Tech risk and Fintech Steering Committee	It reports to the IT Governance Committee and holds the responsibility for overseeing various aspects related to fintech, electronic trading and corresponding technology risk, including monitoring the progress of strategic planning, development and significant changes to the system and infrastructure, addressing infrastructure security and cybersecurity risks, ensuring protection and mitigation measures are in place for electronic trading.

6. Social Responsibility

Information Security and Privacy Governance Structure		Major Duties
Management Level		
Data and AI Governance Working Group	Strengthens the Group's data governance framework and governance of generative AI language models. Its responsibilities include setting data governance policies, guidelines, and strategic plans. It promotes and provides risk and security management in data and AI training throughout the Group, fostering a culture of data security awareness among all employees. Additionally, it reports data governance initiatives and significant issues related to data and AI governance, risk, and security management to the IT Governance Committee.	
IT Risk Working Group	Directly reporting to the IT Governance Committee, IT Risk Working Group oversees the progress of IT risk management and related issues, including but not limited to policy development, risks identification, assessment and monitoring, protection, training and mitigation. IT risks being overseen cover a broad range of areas, such as cybersecurity, threats in physical or logical IT resources, software and infrastructure failures and human errors.	
Execution Level		
All Departments	Each department is responsible for the specific implementation of data security work. In the process of business development, it is responsible for the security management of the data of its unit, and implements the data security management requirements and control strategies involved in the business, systems and processes.	

Specific policies and procedures have been established and implemented across all employees, departments, and subsidiaries. These policies define objectives, requirements, protective measures, and guiding principles within the Group's data and cybersecurity framework, covering areas such as data lifecycle protection and data classification requirements, with the aim of preventing data leakage and the misuse of personal information.

External independent audits on information security systems are conducted at least once every two years. In 2025, the Company engaged external consulting firms to conduct a series of IT audits. These audits included penetration testing and vulnerability scanning, reviews of potential gaps in the security operations center, and assessments of system architecture and application programming interface connections. The purpose of these exercises was to intensively evaluate existing security controls and strengthen overall IT governance.

Cybersecurity Management

Industry-standard cybersecurity measures, including network segmentation and segregation, have been implemented to strengthen the Group's IT systems and safeguard sensitive information from loss or misuse. Data transmitted between client devices and the Group's online trading platforms is encrypted in line with recognized standards, such as transport layer security (TLS) 1.2 or higher.

6. Social Responsibility

The IT systems and trading platforms are protected by multiple layers of cybersecurity controls, overseen by a designated committee and maintained and tested regularly by IT professionals. To defend against potential cyberattacks, the Group maintains and updates contingency and recovery plans continuously, conducts annual cyberattack drills, engages external firms to perform independent cybersecurity audits, and holds regular meetings to review performance.

In addition, the Group promotes cybersecurity awareness by issuing regular tips to employees and clients, and by providing annual training and guidance. Invitations are extended to clients, business partners, and service providers to broaden awareness across related stakeholders.

To further reinforce governance, the Group has established an IT Governance Committee and dedicated working groups to oversee and monitor data usage and protection.

Data Privacy Protection

Complying with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and offering clear options for managing data preferences, the Group regards data privacy and information security as integral to maintaining customer trust and regulatory compliance. A robust governance framework, comprehensive internal controls, and continuous awareness initiatives ensure that personal and corporate data are managed responsibly throughout the data lifecycle.

Data Privacy Framework and Management

The Group has established a set of internal policies and guidelines governing customer privacy and information protection. These policies are periodically reviewed and include but not limited to the Data Governance and Management Procedures, the Use of Generative AI Language Model Policy, and the IT Risk and Security Policy. All departments and subsidiaries are required to adhere strictly to these policies.

Designated Data Protection Officers oversee data privacy compliance, address privacy-related enquiries, and ensure that data protection standards are effectively implemented across the Group. The Group maintains strict access controls for personal data, granting rights on a need-to-know basis through internal approval procedures. Regular reviews of authorizations and access levels help to maintain data integrity and minimize risks. All processing of personal data occurs within controlled and secure environments.

To demonstrate transparency and accountability, the Group publicly discloses its privacy policies on the corporate website and customer-facing platforms, such as Junhong Global. In 2025, the Group updated its Privacy and Security Policy and dispatched privacy and security information updates to customers. These documents outline practices for data protection, individuals' rights to control their personal data, third-party handling requirements, and principles for data minimization and retention. To further enhance transparency, the Group publishes key reference materials, including Anti-fraud Tips, Cybersecurity Tips, and the Customer Data and Privacy Protection Policy Principles, all of which are accessible in the "ESG Info" section of the website of the Company.

The Group has established the IT Risk and Security Policy, detailing encryption standards for data storage and transmission. All sensitive information, such as passwords and trading data, must be encrypted during internet transmission, while all data storage devices, such as servers and hard drives, must be degaussed prior to disposal. Disposal processes require management approval and must include auditable records such as disposal dates and verification details.

6. Social Responsibility

Moreover, the Group has formulated the Supplier Sustainability Policy, Procurement Management Policy and outsourcing guidance to ensure that all suppliers handling data comply with confidentiality, data privacy, and cybersecurity requirements. Due diligence and evaluation procedures are conducted during the vendor selection process. Physical safeguards, such as restricted access controls and surveillance, are installed in data storage facilities to prevent unauthorized access.

The Compliance Manual provides further guidance on the sharing information with affiliates or third parties, ensuring that all data is treated as confidential and securely encrypted, and is only shared when necessary or legally authorized.

Customer Data Management

The Group respects customers' rights under the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), including the right to access, rectify, or opt-out of the use of personal data for direct marketing. Upon receiving a data access or rectification request, the Group will process the request in accordance with applicable laws, regulations, and internal policies.

Customers can request the deletion of data of their data via the customer service hotline, customer service mailbox or addressing to the Data Protection Officer of the Group. The Group will always only keep customer's personal data for as long as the Group reasonably needs it for the purposes stated in the Personal Information Collection Statement or on a longer term basis in accordance with applicable laws and regulations (including but not limited to the Securities and Futures (Keeping of Records) Rules which require certain records to be kept for at least 7 years and the rules set by the Shanghai Stock Exchange and the Shenzhen Stock Exchange which require certain records to be kept for at least 20 years) and the Group's policies and procedures, or until receipt of customer's request to delete such personal data, subject to limitations on technical feasibility.

Any withdrawal of consent or opt-out request of the provision and use of their personal data for direct marketing purposes does not affect the lawfulness of any prior processing of personal data, nor the Group's ability to continue to provide services that are consistent with regulatory requirements. The Group only retains personal data as long as is reasonably necessary for the stated purposes or as is otherwise required by law.

To improve customer service procedures, the Group has further updated the job descriptions, frequently asked questions, and privacy-handling protocols of the customer service team in accordance with the revised privacy policies. Staff are required to clearly explain the purpose and scope of data collection before obtaining any personal information. Privacy prompts have been introduced across major customer service channels, including the customer service hotline, online chat, email, satisfaction surveys, and the WeChat official account, to ensure consistent compliance and transparency.

Awareness and Education

To strengthen cybersecurity awareness, the Group has established multilayered security and awareness programs. In 2025, the Group engaged an external law firm to deliver specialized training on ransomware incident response, covering operational procedures and incident response strategies. Additionally, data security and privacy-related e-learning courses remain available to all employees, including contractors, reinforcing their understanding of privacy principles and legal obligations. These include compulsory trainings, such as "Information Security and Cyber Risk Awareness (Global)", as well as optional courses such as "Data Privacy (APAC)" and "Securing Data".

6. Social Responsibility

For customer and the public education, the Group continuously promotes cybersecurity and anti-fraud awareness through periodic posts, posters, and educational materials published on the corporate website and social media platforms. The “Security Reminder and Tips” section has been further strengthened with integrated fraud warnings and direct links to official government cybersecurity resources, enabling customers to stay informed and protected.



In August 2025, the Group informed customers of its participation in the “SMS Sender Registration System”, which enhances message authenticity and safeguards against phishing scams. Anti-fraud reminders were simultaneously released through internal channels to raise employee vigilance. Subsequently, in September 2025, the Group introduced a hyperlink-detection control within its customer SMS system to prevent messages containing hyperlinks from being sent, thereby bolstering regulatory compliance and network security.

The Group also disseminates ongoing data protection and cybersecurity updates through the “Message for You” feature on the trading platform, providing investors with real-time alerts and educational reminders on digital safety.

As a member of the Data Protection Officers’ Club established by the Office of the Privacy Commissioner for Personal Data, the Group leverages this professional network for training, knowledge sharing, and benchmarking against industry best practices. The Group’s data protection officers are responsible for overseeing privacy compliance, developing the group-wide data protection framework, promoting staff awareness, managing potential data breach incidents, and communicating with affected clients, regulators, and law enforcement agencies when necessary.

Data Breach Incident Handling Measures

In the event of a data breach, the Group requires immediate notification to all relevant departments to ensure a coordinated response. Comprehensive investigations are undertaken to identify root causes, with remediation measures implemented to address the incident and prevent recurrence. Significant cases are escalated to senior management and, where applicable, reported to regulators in accordance with legal and compliance obligations.

6. Social Responsibility

Handling Inside Information

To safeguard the integrity of the capital market and protect the interests of clients and shareholders, the Group has adopted comprehensive measures to prevent management and employees from engaging in trading or facilitating trades based on insider information (material non-public information), relating to the Group.

The Group has established the Control of Information Policy, which sets out the standards and protective measures required when handling confidential and non-public information. These measures include physical access restrictions, communication protocols, IT safeguards, and deal-related information controls. The policy also establishes clear staff obligations to protect confidential and inside information obtained during employment, ensuring such information is used solely for legitimate business purposes.

In addition, the Group has introduced the Policy on Disclosure of Inside Information, which defines inside information, outlines applicable regulatory requirements, and provides guiding principles and procedures to ensure disclosure is fair, equitable, and timely. Compliance with relevant laws and regulations, including the SFO, the Listing Rules, and industry best practices. Furthermore, the Group enforces stringent staff trading procedures to prohibit staff with access to inside information about the Group from trading the Group's securities.

Where evidence of potential insider dealing arises, the Legal and Compliance Department is required to initiate an investigation and implement appropriate follow-up actions. These actions may include, but are not limited to, reporting the incident to regulatory or enforcement bodies such as the SFC or other relevant authorities.

6.1.2. Service and Product Integrity

The Group strictly adheres to the SFO and its subsidiary legislation, while actively fulfilling its social responsibilities. These include ensuring product quality, conducting ethical marketing and advertising, responding effectively to customer feedback, and protecting intellectual property rights, all with the goal of safeguarding the interests of customers and the public.

Service and Product Quality

The Group places strong emphasis on safeguarding customer rights and ensuring satisfaction. In alignment with regulatory standards set by the SFC, the Group has adopted a Suitability Policy requiring salespersons to conduct comprehensive client assessments. These assessments cover identity verification, investment objectives, knowledge, and experience, ensuring that recommendations and solicitations are tailored to each client's circumstances.

To guide best execution practices, the Group has established the Wealth Management Manual and reinforced its internal control framework, enabling the delivery of high-quality investment products and services while maintaining full compliance. The wealth management quality assurance team plays a central role in cultivating a strong compliance culture and enhancing awareness among salespersons. Its responsibilities include delivering updated training and guidance, conducting post-trade checks, ensuring pre-trade disclosures, and flagging risks such as high product concentration or tender mismatches. Any irregularities identified during transaction reviews are promptly remediated, with process enhancements introduced to streamline operations and strengthen compliance.

6. Social Responsibility

The relevant business segments of the Group collaborate with the compliance team to maintain ongoing surveillance of regulatory developments and enforcement practices to ensure the compliance framework remains effective. Where significant regulatory changes occur, gap analyses are conducted to assess impacts and identify necessary enhancements. Internal guidelines and policy documentation are updated accordingly, ensuring that controls and procedures remain aligned with regulatory requirements and industry best practices.

Responsible Marketing and Advertising

The Group places strong emphasis on full compliance with laws and regulations governing marketing, advertising, and labeling. Any form of dishonesty or misleading statements in promotional materials, advertisements, or public announcements is strictly prohibited. To safeguard adherence to these standards, the Group has established and implemented the Guidance on Advertisement Management, which sets out clear requirements and procedures for internal advertising oversight. Complementary measures are also in place to ensure the accuracy and integrity of marketing information, while maintaining alignment with applicable codes, guidelines, guidance notes, and circulars issued by the SFC.

Recognizing the challenges of the digital era, the Group has adopted specific policies to ensure that content disseminated through social media and other channels remains accurate and reflects the Group's authentic image. These include the Social Media Management Guideline and the Official Website Management Guideline. Throughout the year, strict controls were maintained over the approval process for social media accounts and advertising activities, reinforcing responsible marketing and advertising practices.

Intellectual Property Right Protection

The Group acknowledges the importance of complying with intellectual property laws and related regulations to support its operations and safeguard its proprietary assets. To strengthen intellectual property rights protection, the Procedure on Managing Intellectual Property has been introduced, establishing a structured framework designed to prevent infringement and to address violations through appropriate legal channels. Safeguarding confidentiality is also prioritized, with proactive measures in place to secure proprietary information and maintain high standards of data protection.

In its advertising and marketing activities, the Group ensures that only authorized materials are utilized in strict accordance with intellectual property guidelines. Licensed content libraries are employed, and where open-source software is used, reliance is placed on platforms governed by the General Public License or Lesser General Public License. This diligent approach ensures compliance with legal requirements, upholds the integrity of intellectual property regulations, and fosters a culture of responsible management across the organization.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with relevant laws and regulations in relation to health and safety, advertising, labelling, or privacy matters associated with its products and services that could have had a significant impact on the Group.

6. Social Responsibility

6.1.3. Investor Education

The Group places importance on maintaining transparent and effective communication with its investors, particularly through educational initiatives. To address the diverse needs of its investor community, a range of communication platforms has been established. These include online webinars, interactive sessions with internal and external financial specialists, and in-person seminars. Through these initiatives, the Group seeks to deliver timely market perspectives, strengthen investor knowledge, and provide meaningful opportunities for dialogue and networking.

Investor Education Initiatives

The Research Department, working closely with the Wealth Management Department, regularly delivers investor education content through the Junhong Global. Coverage spans macroeconomic developments, market strategies, and industry research, providing investors with timely insights and practical knowledge.

In 2025, the Group strengthened investor protection by enhancing both its corporate website and the Junhong Global with scam alerts, cybersecurity resources, and links to trusted external sources, thereby raising customer awareness of fraud and cyber risks. Complementing these digital initiatives, the Group continued to distribute anti-fraud and cybersecurity tips via email, reinforcing its long-term commitment to investor education and fostering a safe, steady and well-functioning service environment.

Further initiatives were advanced through the “818 Wealth Management Festival”, an investor education campaign featuring collaboration with more than 20 leading asset management firms. The event produced nine live streams on global markets and investment strategies, attracting thousands of views.

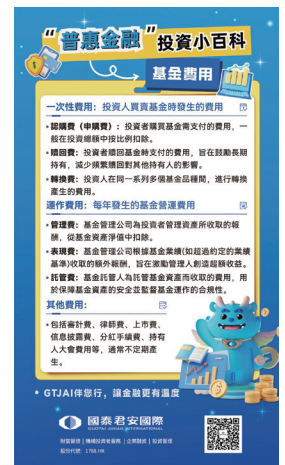
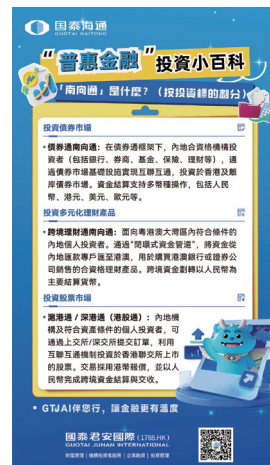
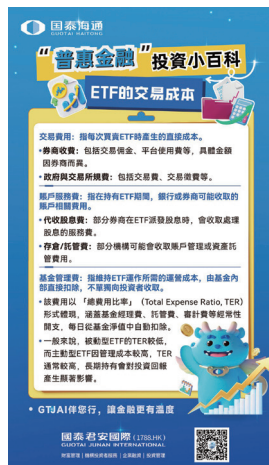
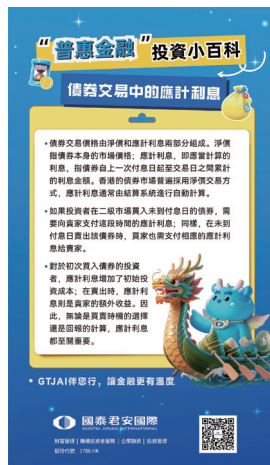


Partnerships with fund companies, the Group also created over 100 short educational videos. Every week, at least one video was released to deliver fresh perspectives on macroeconomic trends, market strategies, and sector dynamics. In addition, the Group worked with universities and youth organizations to host several offline investor education sessions, reaching hundreds of participants and reinforcing its dedication to broad based investor engagement.



Inclusive Finance

The Group has further advanced investor education through the launch of the “Inclusive Finance – Investment Encyclopedia” on its social media platforms and company website, creating an accessible hub for financial literacy. In 2025, a total of 65 educational posts were published, covering topics such as equities, bonds, funds, digital assets, and trading platforms. To make financial concepts more accessible, the Group introduced its mascot “Lingxi” as a relatable mentor. Complex topics were simplified into easy-to-understand explanations. These initiatives are designed to help the public build a foundational understanding of financial products and services, cultivate rational analysis and investment capabilities, support the general public in improving financial wellness and making informed decisions regarding financial products and services, and foster broader engagement with sustainable financial practices.



6. Social Responsibility

6.1.4. Customer Relationship Management

Building mutual trust with customers is fundamental to the Group's pursuit of long-term and sustainable development. The Group places strong emphasis on listening to customer feedback and remains committed to fostering constructive relationships with its clients.

Handling Customer Complaints

The Group has implemented a comprehensive, group-wide system for receiving and managing customer complaints. Customers can submit their concerns through multiple channels, ensuring accessibility and convenience:

- Customer Feedback Form (Website): https://www.gtjai.com/en/contact_securities
- Customer Service Hotline and Email:
 - Phone: (852) 2509 7524/40080 95521
 - Email: customer.service@gtjas.com.hk
- Complaint Hotline and Email:
 - Phone: (852) 2509 5432/40080 95521
 - Email: complaint@gtjas.com.hk

The Legal and Compliance Department is responsible for managing customer complaints. This includes ensuring that all complaints are handled with strict confidentiality and are thoroughly investigated and resolved in a timely and appropriate manner.

Complaint Handling Stage	Handling Measures
Prompt response and acknowledgment	When a customer complaint is received, the Group issues an acknowledgment within 7 working days, demonstrating its commitment to timely resolution of concerns. Allegations are reviewed by staff with relevant professional backgrounds and industry expertise, ensuring fair assessment and protection of customer interests.
Investigation of the concerning issues	The Group maintains transparent and timely communication with customers. Complaints are investigated diligently, and outcomes are, where permitted by applicable laws, shared to keep customers informed of findings and resolutions. Normally, complaints are resolved as early as possible, or within 8 weeks. In complex or exceptional circumstances beyond the Group's control, investigations may take longer.
Follow-up actions based on investigation results	Customer information and feedback are carefully reviewed to identify potential issues. The Legal and Compliance Department maintains direct follow-up with customers, providing updates and outlining solutions to reinforce satisfaction and trust. Findings are used to refine procedures and strengthen systems, ensuring continuous improvement in service quality.

During the Reporting Period, the Group received 8 product and service-related complaints. Of these, 6 cases were fully investigated and resolved with satisfactory outcomes, while the remaining 2 complaints, received near year-end, were still under investigation.

Customer Satisfaction Survey

To ensure a consistently high standard of customer service, the Group conducted a comprehensive customer satisfaction survey in 2025 as part of its ongoing commitment to enhancing the customer experience. Feedback was collected from 3,208 customers, representing a 66% increase compared with the previous year. Results were highly positive, with overall satisfaction exceeding 99% across key dimensions such as service quality, problem-solving capability, and call handling. For each case where unsatisfactory responses were received, the customer service team carefully reviewed, documented, and worked to resolve the issue. These findings and initiatives highlight the Group's dedication to delivering exceptional customer service and its continuous efforts to improve offerings in line with customer expectations.

Looking ahead, the Group plans to continue broadening the scope of the customer satisfaction survey to capture a wider range of feedback and perspectives. These deeper insights will inform ongoing efforts to enhance service quality and refine customer service strategies, ultimately supporting the delivery of an improved customer experience and reinforcing the Group's long-term commitment to excellence.

6.2. Talent Attraction, Retention and Development

6.2.1. Diversity, Equity, and Inclusion

Upholding the Group's business philosophy of "Talent as the First Resource" and embracing the principle of "People-oriented, Collaborative Cooperation", employees are regarded as the Group's most valuable asset. The Group remains focused on cultivating an inclusive workplace that supports well-being, encourages work-life balance, and provides opportunities for professional advancement. To attract and retain high caliber professionals, the Group offers remuneration packages that are competitive with market benchmarks, incorporate performance based incentives, and align with the Group's overall annual results.

In 2025, the Group continued to strengthen its commitment to building a diverse and inclusive workforce. As of 31 December 2025, the total number of employees were 692 (2024: 623). Nearly 80% of new hires were under the age of 35, demonstrating the Group's ability to attract young professionals and its dedication to cultivating the next generation of talent.

Looking ahead, the Group will further strengthen its approach to talent management by broadening strategies for recruitment and retention. Plans include refining remuneration structures, enhancing fringe benefits, and expanding opportunities for career development. These initiatives are designed to reinforce the Group's appeal as an employer of choice and to support long-term sustainable growth through a motivated and engaged workforce.

Equal Opportunity

As an equal-opportunity employer, the Group is firmly committed to promoting and implementing equal opportunities in employment and eliminating all forms of discrimination against its employees. The Group values and encourages employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make employees unique.

6. Social Responsibility

The Group has its diversity and inclusion initiatives extend across all policies and practices, including recruitment and selection, compensation and benefits, professional development and training, promotions, transfers, social and recreational programs, and terminations. The Group is committed to sustaining a work environment grounded in fairness, respect, and equality of opportunity.

During the assessment process, all candidates are evaluated solely by their qualifications, relevant skills, and abilities in relation to job requirements. Employment-related decisions, including remuneration, are based exclusively on merit and performance, without consideration of gender, marital status, pregnancy, disability, family circumstances, race, or any other non-merit factors.

The Group's diversity policy also promotes an environment of respectful communication, open collaboration, and mutual understanding among all employees. Any employee found to have engaged in discriminatory or inappropriate behavior will be subject to disciplinary action, in accordance with the Group's commitment to maintaining a safe, fair, and inclusive workplace.

Workforce Diversity

The Group places strong emphasis on cultivating a workplace that values gender balance and equality. Continuous efforts are made to embed inclusiveness into the corporate culture and to integrate gender awareness into everyday practices, ensuring that diversity remains a core element of the organization's people strategy. For details regarding the Board diversity, please refer to the paragraphs headed "Board Diversity" under the section headed "Corporate Governance Report" of the 2025 Annual Report of the Company.

Human Capital Statistics

As of 31 December 2025, women represented 44% of the Group's workforce, while female Directors accounted for 25% of the Board, this proportion surpasses the market average, which stands at 21.4% according to the data from the Stock Exchange.

Key Employees Statistics	2025	2024
Number of Total Employees	692	623
New Employee Rate ¹	28%	19%
Employee Turnover Rate ²	18%	15%
Percentage of Male Employees	56%	55%
Percentage of Female Employees	44%	45%
Percentage of Female Employees in Revenue-generating Positions	43%	–
Percentage of Female Employees in STEM-related Positions	15%	–
The Ratio of Total Remuneration of Males to Females	1.37:1	1.44:1
Percentage of Female Employees Among the Management and Managers	41%	38%

1 The calculation formula of new employee rate is: new employee rate = number of total new employees joined in the year/the total number of employees by the end of the year × 100%.

2 The calculation formula of employee turnover rate is: employee turnover rate = the number of employees who left the Group during the year/the total number of employees by the end of the year × 100%.

6. Social Responsibility

Total Employee Analysis	2025	2024
Gender		
Male	385	341
Female	307	282
Position Grade		
Management	138	121
Manager	167	145
General Staff	387	357
Age Group		
18-25	53	36
26-35	308	281
36-45	214	196
45-55	93	91
Above 55	24	19
Employment Type		
Full-time	692	623
Part-time	–	–
Geographical Location		
Hong Kong	663	601
Singapore	21	18
Macao	8	4

New Employee Analysis	2025		2024	
	Number	Proportion ¹	Number	Proportion ¹
Gender				
Male	107	28%	68	20%
Female	87	28%	48	17%
Age Group				
18-25	41	77%	33	92%
26-35	111	36%	65	23%
36-45	31	14%	14	7%
45-55	7	8%	4	4%
Above 55	4	17%	0	–
Geographical Location				
Hong Kong	183	28%	110	18%
Singapore	7	33%	5	28%
Macao	4	50%	1	25%
Percentage of internal hires ²		2.6%		3.5%

6. Social Responsibility

Employee Turnover Analysis	2025		2024	
	Number	Turnover rate ³	Number	Turnover rate ³
Gender				
Male	64	17%	51	15%
Female	62	20%	43	15%
Age Group				
18-25	9	17%	10	28%
26-35	65	21%	46	16%
36-45	32	15%	29	15%
45-55	15	16%	7	8%
Above 55	5	21%	2	11%
Geographical Location				
Hong Kong	122	18%	85	14%
Singapore	4	19%	8	44%
Macao	0	0%	1	25%

1 The calculation formula of new employee portion for each category is: new employee portion in the specified category = the number of new employees in that category joined in the year/the total number of employees in that category by the end of the year × 100%.

2 The calculation formula of percentage of internal hires is: the number of open positions filled by internal candidates/number of open positions throughout the year × 100%.

3 The calculation formula of employee turnover rate for each category is: employee turnover rate in the specified category = the number of employees in that category who left the Group during the year / the total number of employees in that category by the end of the year × 100%.

6.2.2. Employment Management

The Group consistently ensures compliance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), anti-discrimination ordinances, and all other applicable employment laws and regulations. The comprehensive Staff Handbook outlines policies designed to protect employees' basic rights, covering compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Regular audits are conducted by the Internal Audit Department to monitor compliance and prevent potential legal violations.

Beyond legal compliance, the Group is firmly committed to respecting and protecting the fundamental human rights of employees and all individuals associated with its business, including partners and suppliers. The Group adheres to internationally recognized frameworks such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, as well as the laws and regulations of the jurisdictions in which it operates. Details of the Human Rights Commitment are available on the website of the Company under the "ESG Info" section.

Prohibit Human Trafficking, Forced or Child Labor

The Group enforces a strict prohibition on all forms of human trafficking, slavery, indentured servitude, forced, compulsory or child labor. Preventive measures are detailed in the Staff Handbook, and the Group complies with local legislation governing the employment of young individuals.

During the recruitment process, the Human Resources Department conducts thorough verification of candidates' identity documents to prevent risks related to child labor. The Group also ensures that employees are not subjected to coercion and retain reasonable freedom of movement in their roles.

Where violations are identified, immediate remedial actions are taken to address the issue. During the Reporting Period, the Group was not aware of any incidents of non-compliance relating to the use of forced or child labor.

Training on Anti-discrimination and Anti-harassment

To foster an inclusive and respectful work environment and enhance employees' awareness of workplace diversity, the Group partnered with external law firm to conduct a training session on "Anti-discrimination, Anti-harassment, and Anti-bullying in a Diverse Workforce" for all employees in November 2025. The training aimed to strengthen employees' understanding of workplace diversity and the importance of an inclusive culture, and to equip employees with practical knowledge to identify, prevent and respond appropriately to discrimination, harassment and bullying, thereby cultivating a culture of dignity and mutual respect.

Grievance Handling Guideline

A standalone Grievance Handling Guideline was established to provide a structured and transparent process for employees to raise concerns or report unfair treatment related to workplace issues. This guideline fosters an environment where employees feel safe to voice concerns about discrimination, harassment, or inequity. The details of the Grievance Handling Guideline are available on the website of the Company under the "ESG Info" section.

Employee Satisfaction Survey

In 2025, the Group continued its long-standing practice of monitoring and improving employee satisfaction by conducting an anonymous survey across the workforce. The survey evaluated employees' perceptions in key areas such as sense of belonging, career development opportunities, supervisory support, stress level, and overall job satisfaction. Insights from the survey were used to design targeted initiatives aimed at strengthening cohesion and fostering a more supportive and rewarding workplace environment.

During the year, the survey was distributed to all employees, with 343 valid responses collected, representing a response rate of 50% (2024: 61%). The overall staff satisfaction rate reached 93%, showing a slight improvement from 90% in 2024. The survey findings revealed the following key insights:

- **Corporate Identity and Sense of Belonging:** The survey results indicate a strong sense of pride among employees in the corporate brand, with the majority highly recommending the Group as a great place to work.
- **Career Development:** 85% of respondents agreed that the Group provides sufficient professional development opportunities, marking a 12% increase compared to last year's survey.
- **Supervisor Support:** 88% of employees (Chart 1) reported that they can easily seek support from their supervisors when needed, marking a 6% increase compared to last year's survey.
- **Workplace Relationship:** 83% of employees (Chart 2) agreed that their ideas and feedback are heard and valued, while 90% of employees believed their working relationships with colleagues are positive.
- **Happiness Level:** 64% of employees (Chart 3) reported that they are happy at work.
- **Stress Level:** 46% of employees (Chart 4) reported that they are stressed at work.

6. Social Responsibility

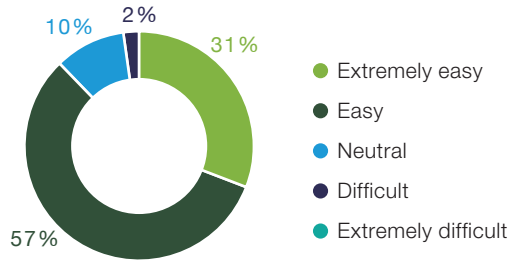


Chart 1: Get help from the supervisor

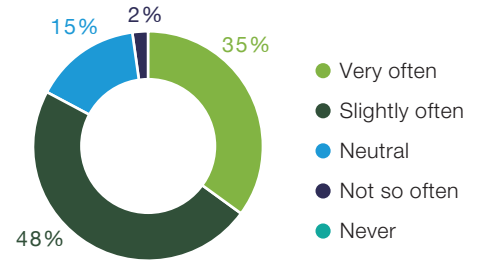


Chart 2: Ideas being heard and valued

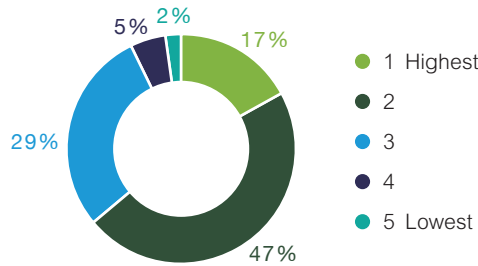


Chart 3: Happiness Level

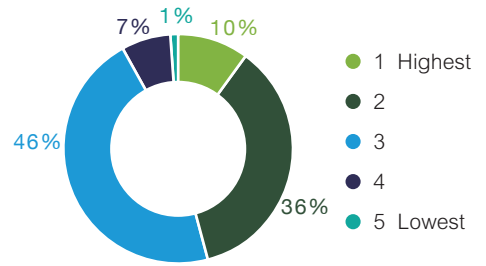


Chart 4: Stress Level

The Group conducts this survey annually and remains committed to enhancing employee engagement, improving response rates, and fostering a positive workplace environment.

6.2.3. Employee Health and Wellbeing

The Group prioritizes occupational health, safety, and well-being by striving to create a safe and comfortable working environment for employees. To ensure compliance with the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and other applicable laws and regulations, the Group has established a formal Occupational Health and Safety Policy that guides the daily management of workplace safety. Regular occupational safety and health training sessions are conducted for all employees to strengthen awareness and reduce risks associated with occupational safety and health matters.

6. Social Responsibility

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labor practices, occupational health, or safety that could have had a significant impact. There were also no recorded work-related fatalities or injuries during the year or the previous two financial years.

Employee Care and Benefits

The Group has implemented numerous measures to safeguard employees from occupational diseases and prioritize their overall well-being. In the Group's offices, adjustable ergonomic chairs and blue-light-cut screens are provided to promote neck, back, and eye health. Additionally, air purifiers have been installed to improve indoor air quality. The Group's Hong Kong offices are located in office towers that have received the "Excellence Class" certification for Indoor Air Quality Objectives from the Environmental Protection Department of the Hong Kong Government.

To support family needs, employees are entitled to special paid leave arrangements, including marriage leave for themselves and their children, compassionate leave for immediate or extended family members, and parental leave such as maternity and paternity leave for newborns, with a total of 736 days of paid parental leave offered in 2025; for employees with special health requirements, such as those recovering from critical illness, flexible work arrangements, including remote working, are offered to provide a more manageable and supportive environment.

Employee well-being and mental health remain a priority. During the year, the Group partnered with Quality HealthCare to provide an Employee Assistance Program, offering professional support to help employees address work-related challenges and personal development needs. These initiatives reflect the Group's commitment to creating a supportive environment where employees can thrive both personally and professionally.

Work-life Balance and Leave Management

The Group actively promotes work-life balance by encouraging employees to take paid annual leave in a timely manner. To provide flexibility, employees may carry forward unused annual leave to the following year, helping them plan around operational requirements while making effective use of their entitlement.

To promote sustainable working practices and manage overtime effectively, employees would need to submit requests through the internal overtime application system with clear business justification. To recognize employee commitment, overtime performed on weekends or public holidays is compensated with leave, enabling employees to rest and recharge.

6. Social Responsibility

Enriching Activities for Employee Health

In 2025, the Group launched a series of five well-being workshops, such as Floor Stretching Yoga and Handcrafted Forest Moss Micro-landscape Workshop, to support employees' physical and mental health while effectively alleviating stress. Additionally, employees were encouraged to engage in a wide range of recreational and team activities, including table tennis, badminton and relay running competition, etc. These initiatives not only promoted regular physical activity but also strengthened team cohesion and collective spirit, contributing to higher job satisfaction and healthier work-life integration.



6.2.4. Training and Development

Comprehensive Training Opportunities

The Group is committed to fostering the professional growth and self-fulfillment of all employees, including contractors. Training requirements apply uniformly across the workforce, ensuring equal access to development opportunities. By providing clear career pathways, structured training, and extensive resources, the Group empowers staff to advance their capabilities and achieve sustained career success.

E-learning and Foundational Training

Employees benefit from a dedicated e-learning platform that provides flexible access to a broad curriculum regularly updated to reflect industry developments and regulatory requirements. In 2025, more than 40 courses are offered, covering product knowledge, cybersecurity, IPO placing procedures, best execution policies, credit and market risk management, virtual asset and AI fundamentals, and corporate social responsibility.

The platform also incorporates training on the Group's Code of Conduct, including conflicts of interest, information protection, bribery and corruption, insider dealing, whistleblowing, and ESG practices. To ensure consistent standards, all employees complete annual training on core compliance areas such as information security, ABC (Asia Pacific), and AML. New employees receive tailored induction programs covering these topics, along with integrity and financial crime compliance, embedding foundational knowledge from the outset.

Organization-wide Programs

Organization-wide learning initiatives are also provided for all employees, covering topics such as ESG awareness, climate-related matters, occupational stress management, diversity and inclusion, including cultural aspects, with an anti-harassment focus. Effective written communication is also emphasized to strengthen professional standards across the workforce.

6. Social Responsibility

To complement these initiatives, internal departments deliver practical, real-time training tailored to job-specific expertise. This includes project-specific skills development, client-centric product and platform training, and level-based operational skills. Together, these programs ensure that employees receive both broad organizational learning and targeted, role-relevant training, reinforcing the Group's commitment to continuous capability building and workplace resilience.

Continuous Professional Development and Technical Upskilling

Through a strategic partnership with the GTHT Training Center, employees, including contractors, gain access to an extensive library of more than 10,000 online and offline courses, delivered in collaboration with leading institutions such as the Tsinghua University, the University of Hong Kong, Shanghai Environment and Energy Exchange, the Association of Chartered Certified Accountants, and the Chartered Financial Analyst Institute. The curriculum spans leadership, project management, ESG and sustainable development, and a wide range of professional knowledge areas.

Further modules in Data Analytics and Cybersecurity strengthen both foundational and advanced capabilities in data governance and digital security, preparing employees for the demands of an increasingly digital operating environment. The curriculum also includes Advanced Project Management, equipping employees to lead and execute complex initiatives central to organizational evolution, such as energy transition, digital transformation, and low-carbon implementation. This structured approach enables deep technical reskilling and enhances organizational readiness for ongoing transition and growth.

To support professional advancement, the Group provides financial and logistical assistance for work-relevant courses, examinations, professional licenses, and membership fees. Eligible employees may apply for reimbursement, and study or examination leave is granted to facilitate preparation. The Training Reimbursement Policy extends financial support to all employees, including contractors, for courses, certification examinations, and professional webinars, with coverage spanning sustainable finance, ESG integration, and emerging fields such as virtual asset management.

These training initiatives reflect the Group's commitment to fostering a culture of continuous learning and equipping employees with both technical and interpersonal skills. By addressing the development needs at all employment levels, the Group strengthens leadership capabilities as a part of succession planning development, enhances team collaboration, and supports the long-term success of the Group.

Training Statistics

In 2025, the Group's total employee training hours reached 37,745.50 hours, with the average training hours per employee increasing to 54.55 hours (2024: 30.48 hours). Training programs covered 99.42% of the workforce, with the small proportion of untrained employees being those who joined near year-end and were still undergoing induction as of 31 December 2025.

6. Social Responsibility

Detailed training statistics are provided below:

Trained Employee by Gender and by Position Grade	2025		2024	
	Number	Proportion ¹	Number	Proportion ¹
Gender				
Male	382	56%	341	55%
Female	306	44%	282	45%
Age Group				
18-25	51	7%	–	–
26-35	302	44%	–	–
36-45	214	31%	–	–
45-55	97	14%	–	–
Above 55	24	3%	–	–
Position Grade				
Management	137	20%	121	19%
Manager	165	24%	145	23%
General Staff	386	56%	357	57%

Training Hours by Gender and by Position Grade	2025		2024	
	Total training hours	Average training hours ²	Total training hours	Average training hours ²
Gender				
Male	20,947.89	54.41	10,450.50	30.65
Female	16,797.61	54.72	8,536.17	30.27
Position Grade				
Management	7,378.84	53.47	4,006.82	33.11
Manager	9,503.15	56.91	4,492.62	30.98
General Staff	20,863.50	53.91	10,487.23	29.38
Total	37,745.50	54.55	18,986.67	30.48

1 The calculation formula of trained employee proportion for each category is: trained employee proportion in the specified category = the number of trained employees in that category/the total number of trained employees of the Group × 100%.

2 The calculation formula of average training hours for each category is: average training hours in the specified category = total training hours in that category/the total number of employees in that category by the end of the year.

6. Social Responsibility

Talent Pipeline Development Strategy

The Group's pipeline strategy is designed to attract high-caliber professionals and provide them with comprehensive training opportunities that support both career advancement and long-term professional growth. The Group remains committed to fulfilling its responsibility to nurture young talent. By diversifying recruitment channels and offering structured career development pathways, it seeks to build a sustainable pool of skilled professionals who can contribute to the Group's continued success.

In March 2025, the Group partnered with the University of Hong Kong to host career talks and promote graduate opportunities. The event drew more than 80 participants, who gained valuable industry insights and benefited from the experiences shared by the Group's team, reinforcing the institution's commitment to cultivating the next generation of financial professionals.

*Management Trainee Program*

As one of the top-tier financial institutions in Hong Kong, the Group places strong emphasis on nurturing the next generation of talent to become future leaders. The management trainee program offers fresh graduates a structured and holistic development journey, featuring rotations across core departments. This approach enables trainees to acquire essential knowledge and skills in both frontline and back-office operations. Upon successful completion, trainees are assigned to designated departments based on their professional expertise, competencies, career aspirations, and alignment with the Group's business strategy. High-performing trainees with strong potential may be considered for promotion to senior positions.

The latest program commenced in September 2024 and spans 18 months. During this period, trainees received guidance from experienced professionals and gain valuable market experience. The program has been designed to equip participants with the capabilities required to develop into future professionals and leaders in the financial industry, reinforcing the Group's commitment to building a sustainable talent pipeline.

6. Social Responsibility

Leadership Capability Building

The Group offers a structured and tiered approach to leadership and management development, with tailored programs designed for employees at different career stages.

- “Core Competency Building” for Management Trainee

To prepare management trainees for broader responsibilities, the Group delivers targeted training to strengthen core leadership competencies. Training sessions, such as Workplace Presentation and Communication Skills Training, focus on improving clarity, influence and engagement in professional settings, supporting effective stakeholder communication.

- “Collaborative Skills Development” for Young Professionals and Emerging Talents:

The Group conducts developmental workshops to build foundational collaborative and growth-oriented mindsets. Young professionals would engage in programs like the Teamwork and Co-Growth Workshop, which help them understand the dynamics of effective collaboration, align personal development with team objectives, and contribute to a culture of shared success.

- “Team Leadership Enhancement” for Middle-Level Supervisors:

The Group provides focused training to enhance team leadership capabilities. Middle-level supervisors would participate in specialized programs such as the Team Care and Support Workshop, which aim to cultivate effective team management skills, foster mutual assistance among members, and build resilient, highly cohesive teams. These trainings would be delivered through systematic modules that emphasize emotional intelligence, conflict resolution, and supportive leadership practices.

These programs have been developed and facilitated in collaboration with external training professionals and institutions to ensure relevance, quality and practical application. Through this multi-level training framework, The Group systematically builds leadership capability, supports succession planning, and reinforces a culture of continuous development and organizational resilience.

Performance Appraisal

The Group conducts annual performance appraisals for all eligible employees using the management by objectives approach. This process provides staff with clarity on their developmental priorities while highlighting individual strengths and areas requiring improvement. The insights gained are used to design tailored training programs and allocate study resources that align with specific roles and personal development preferences. In this way, the appraisal system supports structured professional growth and reinforces the Group's commitment to building workforce capability in line with ESG reporting standards.

The performance appraisal process includes the following key steps:

1. Goals and KPIs setting:	2. Annual review:
Supervisors work closely with employees to establish relevant goals and KPIs, ensuring that individual objectives are aligned with the Group’s broader organizational priorities. This alignment promotes mutual success by linking personal performance with corporate outcomes, while also driving accountability and positive results across the workforce.	Employees are assessed annually against defined goals or KPIs, job competencies, and other work-related criteria. Supervisors provide constructive feedback during this process, recognizing individual achievements while encouraging further development.

6.2.5. Recognition

In 2025, the Group’s strong commitment to ESG initiatives, workplace excellence, and sustainable finance was acknowledged through numerous prestigious awards. Reflecting its leadership in governance and sustainability, the Group was honored with the “ESG Leading Enterprise” and received the “ESG Leading Initiatives – Leading Environmental Initiatives” and “ESG Leading Initiatives – Leading Social Initiatives” awards from Bloomberg BusinessWeek, as well as the “Best Investor Relations Company” and “Sustainable Asia Award” from Corporate Governance Asia. These accolades underscore the Group’s dedication to maintaining high standards across governance, sustainability, and investor relations.

Demonstrating its leadership in sustainable finance, the Group received recognition at the HKQAA Green and Sustainable Finance Awards 2025, earning the “Green and Sustainable-Loan Issuance Institution Contribution Award (Securities and Financial Services Sector) – Outstanding Vision in Sustainability Linked Loan Performance Indicators”. Further highlighting its achievements, the Group was included on Bloomberg Green’s “2026 Ones to Watch List – Green Financial Institution List”.

The Group’s commitment to fostering a supportive and inclusive workplace was also widely celebrated. For the 4th consecutive year, it was named one of the “Best Companies to Work for in Asia” by HR Asia, which also recognized the Group with the “Most Caring Company Awards”. The Group’s dedication to employee well-being and social responsibility was further acknowledged through the “Caring Company” designation for the 11th consecutive year, the “Happy Company Award” and “Family-Friendly Employers Award” for the 8th consecutive year, the “Good Employer Charter” for the 7th consecutive year, and the “Mental Health Workplace Charter” for the 5th consecutive year.

Together, these accolades highlight the Group’s holistic efforts to advance ESG practices, promote sustainable finance, and cultivate a positive, inclusive workplace. They reinforce the Group’s reputation as a leader in driving meaningful impact across ESG domains.



6. Social Responsibility

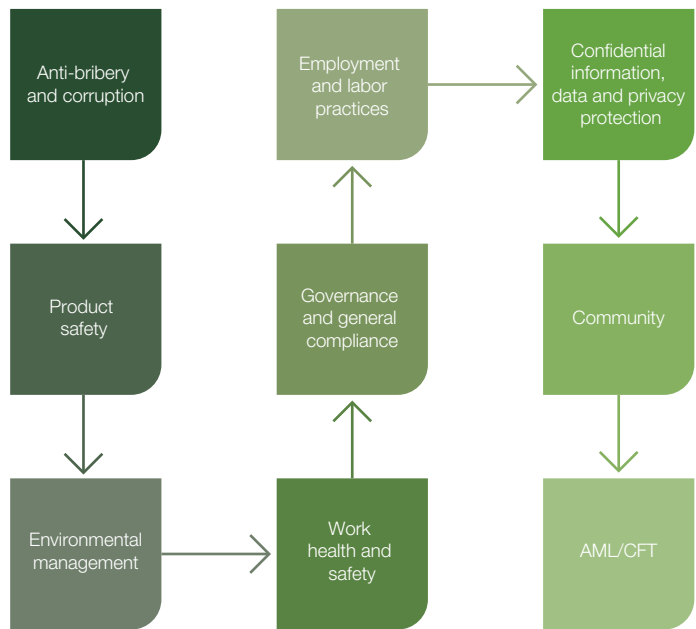
6.3. Sustainable Supply Chain

The Group recognizes that effective supplier management is integral to the success of its ESG practices.

Supplier Evaluation Integrated with ESG Concepts

The Group integrates sustainability principles across its supply chain through the implementation of the Supplier Sustainable Policy. This policy addresses key ESG issues and risks, including employment and labor practices, ABC, and the protection of confidential information, data, and privacy. These principles have been applied throughout the supplier lifecycle, covering selection, review, engagement, and contract renewal, with ongoing ESG risk assessments conducted during the contract term. The Supplier Sustainable Policy is available under the “ESG Info” section on the website of the Company.

Principles of Supplier Sustainable Policy



During supplier selection, relevant departments evaluate ESG performance, taking into account factors such as governance failures and political influence. If significant negative news or concerning behavior emerges regarding an engaged supplier, the relevant departments should assess the situation and implement appropriate follow-up actions.

Key suppliers are required to sign a confirmation agreeing to adhere to the ESG principles set out in the Supplier Sustainable Policy prior to engagement. Where a key supplier is unwilling to sign, the relevant departments must conduct an ESG risk assessment to evaluate the implications before proceeding with formal engagement.

The Procurement Management Policy establishes clear assessment criteria and due diligence procedures for supplier engagement, ensuring the quality of services and products across the supply chain. To mitigate risks, the Group conducts regular reviews and maintains open communication with suppliers, reinforcing its commitment to responsible sourcing and sustainable supply chain management.

Green Procurement

The Group actively promotes the procurement of products and services that prioritize environmental sustainability, climate mitigation, and a reduced carbon footprint. The Procurement Management Policy integrates ESG factors, including climate-related considerations, into the procurement process where feasible.

Supplier assessments are conducted based on expertise, capabilities, and performance, with preference given to those that align with green and sustainable philosophies and comply with the Supplier Sustainable Policy. The policy also establishes a comprehensive assessment procedure to safeguard the quality of services and products across the supply chain, ensuring that procurement decisions contribute to the Group's broader sustainability objectives.

Supply Chain Management

To further strengthen supply chain sustainability, the Group has incorporated ESG factors into its scoring mechanism for the tendering process. All business partners, including external agencies, are required to acknowledge the Group's ABC standards, comply fully with relevant regulations and policies, as stipulated in the ABC Policy. In addition, name screening of all business partners is conducted using both internal and external data sources to identify and mitigate potential risks related to money laundering, bribery, corruption, and other financial crimes.

The Procurement Management Policy and outsourcing guidance further define the supplier evaluation process, covering areas such as compliance, reputation, AML/CFT, information security, internal controls, disaster recovery arrangements, and other ESG-related performance metrics.

Geographical Location of Suppliers	Number of Suppliers in 2025
Hong Kong	308
Mainland China	57
Macao	20
Singapore	43
United States	26
Europe	13
Australia	3
Other Regions ¹	11
Total	481

¹ The suppliers from "Other Regions" are mainly in Asia.

6.4. Community Investment and Engagement

In 2025, the Group continued to advance its community engagement strategy, deepening its commitment to social responsibility through the ongoing "Love • Infinity – Green • Future" program. These initiatives focused on supporting vulnerable populations, fostering social inclusion, and promoting environmental sustainability across Hong Kong and Singapore.

During the year, the Group has donated HK\$8,000,000 for the post-incident recovery after the Tai Po Fire. Beyond the monetary donations, the Group contributed 539 volunteer hours to community initiatives, reaching more than 1,300 beneficiaries. Through sustained partnerships, compassion-driven volunteerism, and targeted community programs, the Group reaffirmed its belief in the power of collective action to build a more caring and sustainable society.

6. Social Responsibility

Supporting Vulnerable Communities

Throughout the year, the Group remained steadfast in supporting vulnerable populations by providing essential resources and creating opportunities for connection, inclusion, and growth. In both Hong Kong and Singapore, employees volunteered their time to bring nourishment, care, and companionship to those most in need.



Providing Food and Nourishment

Through partnerships with organizations such as the Tung Wah Group of Hospitals and Food Angel, volunteers prepared and delivered nutritious meals to homebound seniors and individuals facing mobility challenges or food insecurity. These activities not only addressed immediate needs but also offered comfort and emotional support, delivering not just food but also love and human connection.

Case Study: “Celebrating the New Year with Volunteerism – Spring Luncheon Gathering” at Siu Lamm Integrated Rehabilitation Services Complex

Partnered with Tung Wah Group of Hospitals, Hong Kong’s longest-standing charitable organization, the Company organized the “Celebrating the New Year with Volunteerism – Spring Luncheon Gathering” event for individuals with disabilities on 12 February 2025. A team of 26 volunteers from the Company participated in the activity, spreading festive warmth to approximately 220 residents with physical and intellectual disabilities and celebrating the Chinese New Year together.

Following the event, the Tung Wah team led volunteers on a tour of the facility, showcasing spaces such as the “Sensory Integration Room” designed for sensory training, the “Quiet Corner” for emotional relaxation, the “Horticultural Therapy Space” to promote physical and mental healing, and residential living areas. Through the guided visit, volunteers gained deeper insight into the daily care needs and rehabilitation journey of individuals with disabilities, enhancing their understanding of social inclusion issues.



6. Social Responsibility

Promoting Inclusion and Empowerment

The Group also engaged in initiatives designed to enhance social inclusion, respect, and empowerment for persons with disabilities and children. Through an initiative promoting cross-cultural learning and accessibility, the Group supported the “Accompany People with Disabilities on Ancient Egyptian Art Journey”, which offered a meaningful cultural exploration for both persons with disabilities and their caregivers. This art-focused engagement not only broadened horizons, but also strengthened empathy and community bonds among participants through shared appreciation of history and creativity.



Meanwhile, creative workshops such as the “Inclusive Bites: Cookie & Community Workshop” combined baking with storytelling to promote inclusivity and teamwork. These activities also supported social enterprises that provide employment and development opportunities for marginalized groups, creating lasting social impact through community collaboration.



6. Social Responsibility

Fundraising and Community Advocacy

The Group continued its tradition of participating in large-scale fundraising events, using advocacy and social contribution to deepen its community impact. In 2025, volunteers took part in Walk for Millions, a flagship charity event that supports essential social services and promotes social inclusion across Hong Kong. Event proceeds of HK\$35,000 were directed to families and individuals affected by the Tai Po fire.



Beyond participation, the Group further demonstrated its solidarity with the affected community by donating HK\$8,000,000 to support Tai Po Fire post-incident recovery and relief efforts. This contribution demonstrated the Group's commitment to standing beside those in need and helping communities rebuild with resilience and hope.

ESG-themed Campaign on Social Media

In 2025, following the social theme of 2024 and the environmental theme of 2023, the Group launched a new ESG-themed campaign on social media platforms, focusing on sustainable finance. Throughout this series, we showcased the Group’s efforts and achievements in sustainable finance through diverse formats, and invited our colleagues to share their insights and practices as finance professionals.

Each showcase and story reflects the Group’s professional commitment to sustainable finance. Guided by expertise and anchored in responsibility, the Group continues advancing sustainable finance, partnering with the market and society, and moving into the future together.



Looking ahead to 2026, the Group will further deepen its community involvement and reaffirm its commitment to caring for vulnerable groups. Through a diverse range of initiatives, the Group will continue to promote the physical, emotional, and mental well-being of those in need, helping them overcome challenges and enhance their quality of life. Upcoming community care programs will encompass compassionate visits, psychological and emotional support, and social engagement activities, providing both physical and mental assistance to those requiring care.

By strengthening its ties with local communities, the Group aims to promote greater social participation, collaboration, and inclusion, creating a warm, supportive environment where individuals and families can thrive. Through these collective efforts, the Group remains dedicated to building a more inclusive, resilient, and compassionate society driven by care, connection, and shared purpose.

7. Environmental Responsibility



The Group recognizes its responsibility to manage and mitigate the environmental and ecological impacts arising from its operations, and it is committed to conducting its business in an environmentally responsible manner. In adherence to the Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) and other applicable environmental laws, regulations, and industry standards across all operating regions, the Group has implemented a series of comprehensive environmental policies and initiatives. These efforts are designed to curb pollution, reduce waste generation, conserve energy and natural resources, and strengthen environmental awareness among employees through dedicated training and educational programs.

7.1. Environmental Targets

In 2025, the ESG Committee approved the following environmental targets and plans, and reported to the Board.

Air Pollutants and GHG

Aspects	Metrics	Specific targets and plans	Target time	Progress
Overall GHG emissions		Reduce operational GHG emissions (Scopes 1 and 2 emissions) by 50% as compared with 2023 as the baseline year*	2030	On-track
Scope 1 Emissions	Vehicle petrol and fugitive emissions (refrigerant)	Replace traditional fuel vehicles with cleaner alternative fuel vehicles on demand	2030	On-track
		Closely monitor fuel consumption to avoid wasting resources	On-going	On-track
Scope 2 Emissions	Electricity and cooling consumption	Adjust indoor room temperature within the control range of the Group to over 25°C	On-going	On-track
		Post power-saving signs near the switches to raise employees' awareness	On-going	On-track
		Enable power saving mode for monitors	On-going	On-track
		Reduce electricity and cooling consumption by adopting more cloud services	On-going	On-track Adoption of cloud VMs and containerization has continuously increased in 2025
Scope 3 Emissions	Value chain emissions	Promote office digitalization to reduce paper consumption by continuously enhancing online account opening process and launching more internal e-workflows	On-going	On-track

Note:

* The parent company, GTHT, has set strategic carbon neutrality targets: to achieve operational carbon neutrality covering Scope 1 and Scope 2 emissions by 2030, attain full value chain carbon neutrality including Scope 1, Scope 2 and Scope 3 emissions by 2060, and realize 100% green electricity consumption by 2030. Going forward, Guotai Junan International will further refine its GHG emissions reduction targets in accordance with the unified targets of the parent company.

7. Environmental Responsibility

Waste Emission

Aspects	Metrics	Specific targets and plans	Target time	Progress
Hazardous waste	Waste toner, cartridge, light tubes, computers, and servers	Return waste toners and cartridges to supplier for proper handling	On-going	On-track
		Return waste light tubes to the premise management office for proper handling	On-going	On-track
		Reduce the number of printers while concurrently decreasing waste from waste toner and cartridges	On-going	On-track
Non-hazardous waste	Household waste, office consumables and paper use	Recycle 100% wastepaper through qualified vendors	On-going	On-track
		Continuously enhance online account opening platform to reduce the paper consumption	On-going	On-track
		Develop green and digital financial services to reduce paper usage	On-going	On-track
		Recycle 100% used coffee capsules	On-going	On-track
		Implement separation of domestic waste	On-going	On-track

7. Environmental Responsibility

Energy Consumption Efficiency

Aspects	Metrics	Specific targets and plans	Target time	Progress
		Implement VDI services and expand the adoption of VPN that support both normal operations and BCPs to facilitate the implementation of hot desking initiatives and minimize the total number of computers	2025	Further reduced the desktop computers by 50 units in 2025
		Adopt VMs and containerization to improve the utilization of physical servers, thereby reducing the total number of servers	On-going	Further increased the number of VMs by 365 units in 2025.
Energy consumption	Energy utility intensity	Switch to 100% LED lighting to minimize electricity usage	2030	On-track
		Reduce electricity consumption by 10% as compared with 2023 as the baseline year	2030	On-track In 2025, electricity consumption was 897,057 kWh, representing a decrease of 3.95% (compared to 933,907 kWh in 2023).

Water Consumption Efficiency

Aspect	
Water consumption	Not applicable as there is no individual water meter installed by the premise management office

7.2. Tackling Climate Change

In light of the escalating significance of climate change, which has been demonstrated by the heightened occurrence of extreme weather events resulting in substantial losses and widespread impact, the Group recognizes the importance of the changing climate and is committed to enhancing its climate resilience and promoting decarbonization in the economy alongside its clients. The Group has established the Climate Change Policy to strengthen its control over climate-related risks and opportunities, as well as mitigate related impacts by enhancing the climate risk management framework and internal control policies.

In accordance with Part D of the ESG Reporting Code and with reference to IFRS S2 Climate-related Disclosures, the Group adopts a structured and systematic approach to report on the management of climate-related risks and the capitalization of climate-related opportunities through framework structured around four thematic areas: governance, strategy, risk management, and metrics and targets.

7. Environmental Responsibility

7.2.1. Climate-related Governance

The Group is committed to considering climate change throughout its business activities. To enhance the governance of climate change issues, the Group continuously strengthens its ESG governance framework, establishing a comprehensive three-level governance structure of “supervisory-management-execution level”. This structure incorporates climate change considerations into the responsibilities at all levels within the Group. Under the oversight of the Board and leadership of the management, the Group aims to build an effective and efficient corporate culture to manage climate-related risks and opportunities. In 2025, climate-related metrics were incorporated into the appraisal of the CEO to further reinforce senior management accountability on climate matters.

The Board and the ESG Committee possess adequate knowledge of climate-related risks and their potential impact on the Group. To further strengthen management awareness and preparedness, a training session on climate-related risk management was conducted by the Company during the year. This session improved management’s comprehension of climate change issues, supported effective contingency planning, and ensured that the Board and management retained the necessary expertise and capacity to oversee the Group’s strategies for addressing climate-related risks and opportunities.

As a reputable financial institution, the Group supports clients in navigating the challenges of the transition toward a low-carbon economy. This commitment is reflected in the establishment of climate risk monitoring and management systems across frontline business units and the integration of climate-related considerations into the Group’s products and services. For more details on the Group’s green and sustainable finance practices, please refer to the Section 8. Green and Sustainable Finance of this Report.

7. Environmental Responsibility

Climate Change Governance Structure	Major Duties
Supervisory Level	
The Board	Holds ultimate responsibility for overseeing climate-related strategies, objectives, significant issues as well as climate-related risks and opportunities. It actively engages in, with the assistance from the ESG Committee, addressing matters pertaining to climate change governance.
Management Level	
The ESG Committee	<p>Established by the Board as a functional committee and chaired by an INED, the ESG Committee is comprised of management and heads of relevant departments as members.</p> <p>The ESG Committee plays a crucial role in developing climate strategies and plans. Under the authority of the Board, the ESG Committee is responsible for identifying, assessing, managing, and reviewing climate-related issues, risks, opportunities, targets, and tracking progress toward achieving these goals. Furthermore, it aids the Board in overseeing significant climate-related risks by reporting critical climate change matters to the Board at least once a year.</p>
Execution Level	
The ESG Working Group	<p>Composed of three issue-specific working groups, with members including responsible parties from the front, middle, and back offices. They are responsible for formulating and implementing specific work plans based on the climate strategies and plans developed by the ESG Committee. They are also responsible for identifying important climate issues, climate risks, and opportunities, and regularly reporting the latest work progress and plans to the ESG Committee, assisting the ESG Committee in keeping abreast of the latest climate change-related information.</p> <p><u>Sustainable Finance Division</u> Responsible for integrating climate risk and opportunity analysis at the practical business level and advancing sustainable investment and financing initiatives.</p> <p><u>Environmental Division</u> Responsible for enhancing employees' awareness and capabilities in addressing climate change within the business operations, while fostering a green office culture and atmosphere.</p> <p><u>Social Division</u> Responsible for promoting climate-related activities and education.</p>
Frontline, middle and back offices	Responsible for implementing the strategies and objectives related to climate change set by the supervisory and management levels, and integrating them into their daily business operations.

7. Environmental Responsibility

7.2.2. Climate-related Strategy

Climate change gives rise to diverse impacts, ranging from physical risks affecting business operations, supply chains, and investment and financing portfolios, to the challenges and opportunities linked to the transition toward a low-carbon economy. The Group acknowledges that such developments can materially influence its operations and the broader financial environment, shaping the growth prospects, profitability, cash flows, and balance sheets of the entities it invests in and finances. These effects, in turn, bear directly on the Group's capacity to deliver sustainable long-term value for its investors.

Recognizing this, the Group has set aside a budget, sourced from proprietary funds, to finance activities addressing climate-related risks and opportunities, including but not limited to initiatives aimed at achieving the pre-set environmental targets. Beyond internal operations, the Group places emphasis on embedding climate considerations into its investment and financing strategies to address both risks and opportunities. The Climate Change Policy is subject to regular review, and the Group remains committed to advancing sustainable business practices while enhancing the overall portfolio's risk-return profile.

Aligned with the investment goals of its clients, the Group seeks to manage climate-related risks while seizing opportunities by directing financing and investments toward companies advancing low-emission pathways and climate-resilient growth. To support this, the Group has established and executed its sustainable finance strategy, embedding the following activities within its business practices:

- **Screening:** Select or exclude investments via negative, positive, or norms-based screening approaches
- **ESG Integration:** Incorporate ESG and climate factors into financial analysis systematically
- **Thematic Investing:** Invest in themes and assets related to sustainability
- **Impact/Community Investing:** Direct investments to address social or environmental challenges, supporting underserved areas
- **Stress Tests:** Conduct environmental stress tests on the underlying assets involved in the investment and financing activities, utilizing internationally recognized climate scenarios and modeling tools to assess the theoretical or potential risks associated with its investment and credit portfolios.
- **Regular Internal Climate-related Training:** Organize regular training sessions to enhance departmental staff's awareness of climate risks and strengthen their ability to manage and respond to these risks effectively
- **Corporate Engagement and Shareholder Action:** Leverage shareholder power to guide corporate practices through direct engagement

By embedding its sustainable finance strategy into business operations, the Group undertook a comprehensive assessment to identify climate-related risks with the potential to materially affect its business and value chain. This forward-looking risk evaluation, designed to strengthen overall risk management, was informed by extensive market research and supported by surveys conducted with internal industry experts.

Physical Risks

Physical risks, including both acute and chronic risks, represent the direct financial risks associated with a changing climate. Acute physical risks arise from extreme weather events like typhoons and floods, whereas chronic physical risks emerge from long-term climate shifts, including rising sea levels, changing precipitation patterns, and increasing average temperatures. These risks can result in direct damage to physical assets, disrupt operations and supply chains, and ultimately impact human safety and asset valuations.

7. Environmental Responsibility

Transition Risks

Transition risks are financial risks related to the shift towards a low-carbon economy, including policy and legal risks, technology risks, market risks, and reputational risks. These risks emerge from changing investor preferences for greener alternatives, potential declines in brand value for companies that fail to adapt, challenges associated with adopting new sustainable technologies, and the effects of new regulations promoting sustainability. Transition risks highlight the financial and operational challenges that companies face as they shift towards more sustainable practices.

Scenario Analysis

Following the identification of climate-related risks, the Group undertook a scenario analysis in 2024 to evaluate the potential impacts of both physical and transition risks, thereby highlighting areas of potential vulnerability. The insights gained from this analysis now serve as the foundation for embedding climate-related considerations into the Group’s broader risk management processes, ensuring that resilience and preparedness are systematically integrated into governance and operational frameworks.

The Group adopted the Turquoise and Brown Scenarios for its analysis of physical and transition risks, drawing on publicly available data from the IPCC and the NGFS. These scenarios incorporate a diverse array of factors, including political, environmental, economic, and social elements, utilizing open-source data and models. They provide projections to evaluate climate change’s potential impacts from the short (2030) to medium term (2035) and into the long term (2050). We have structured our assessment of climate-related risks and opportunities across three distinct time horizons. The short-term horizon, set for 2030, emphasizes immediate actions and regulatory responses. The medium-term horizon, designated for 2035, captures progressive policy adjustments and technological advancements. Finally, the long-term horizon of 2050 ensures our strategic alignment with Hong Kong’s Climate Action Plan 2050.

The IPCC’s scenarios are divided into RCP scenarios, which detail GHG emissions trajectories, and SSP scenarios, which provide socioeconomic contexts to refine these emissions projections, ultimately improving the accuracy of climate projections. Both the IPCC and NGFS scenarios include assumptions regarding changes in climate policy, along with economic and demographic developments.

	Turquoise Scenarios	Brown Scenarios
Scenario Referenced	<ul style="list-style-type: none"> • RCP 2.6 • SSP 1 – 2.6 • NGFS orderly pathways (Below 2°C) 	<ul style="list-style-type: none"> • RCP 8.5 • SSP 5 – 8.5 • NGFS hot house world pathways (current policies)
Global Average Temperature Projection	1.5°C to 2°C by 2100 compared to pre-industrial level	Above 3°C by 2100 compared to pre-industrial level
Scenario Description	Envision a sustainable, net-zero world by 2050, driven by robust climate policies, renewable energy transition, and strong corporate commitment to decarbonization, highlighting a relatively low physical but high transition risks	Reflect a reliance on fossil fuels, limited climate action, and economic growth prioritizing short-term gains over sustainability, leading to relatively high physical risks and minimal transition challenges

7. Environmental Responsibility

Physical Risk Scenario Analysis

The Group has undertaken efforts to evaluate and analyze the potential physical risks to the Group's major operations by performing a location-based quantitative risk assessment in Hong Kong and Singapore, which includes its significant human capital and physical assets.

By applying the IPCC's climate scenarios – SSP1-2.6 and RCP2.6 as baseline cases, and SSP5-8.5 and RCP8.5 as stressed cases – the Group assessed the potential impacts of climate change under two distinct future pathways. The analysis focused on model-based projections of weather event intensity at selected locations over future time horizons, with a degree of uncertainty remains, reflecting the assumptions used in estimating the future frequency, severity, and geographical distribution of climate-related events.

Transition Risk Scenario Analysis

To analyze the Group's potential transition risk, the Group assessed its value chain as a Chinese securities company and carried out a mixed-method risk assessment utilizing the NGFS scenarios.

The NGFS scenarios provide flexibility for assessing climate-related risks in the financial sectors, featuring a baseline scenario (NGFS current policies) and a stressed scenario (NGFS below 2°C). To evaluate the transition risks within its value chain, the Group analyzed quantitative data from the NGFS database to understand macroeconomic changes across different scenarios. Furthermore, the Group conducted qualitative research on policies and regulations and gathered insights from business functions regarding their resilience to climate change. This qualitative assessment, intended to enhance the quantitative data, offers narrative insights into a more comprehensive understanding of transition risks and evaluates the actual climate risks facing the Group's operations.

Beyond the aforementioned assumptions on climate models, the transition risk scenario analysis involves also uncertainties from ever-changing regulatory.

Climate-related Risks and Opportunities

The Group has identified material physical and transition risks and opportunities, along with their corresponding time horizons and financial impacts.

7. Environmental Responsibility

The details of the identified risks and opportunities are listed in the table below:

Climate-related risks and their potential financial impacts

Category	Operations Affected	Time Horizon	Description	Potential Financial Impacts
Physical Risk				
Acute	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Short to Long term (2030 to 2050)	Extreme weather events (e.g., extreme temperatures and rainfall floods) may damage physical assets, disrupt operations, and lower productivity due to increased employee absenteeism.	<ul style="list-style-type: none"> • Higher insurance claims and premiums • Higher costs for repairing damaged assets • Loss of revenue due to operational disruptions and lowered productivity
Chronic	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Medium to Long term (2035 to 2050)	Long-term climate changes (e.g., rising sea levels, increased annual precipitation, higher average temperatures and decreased average wind speeds) may devalue assets in climate-vulnerable areas and investments with high ESG risks.	<ul style="list-style-type: none"> • Higher insurance claims and premiums • Higher operational costs for cooling, water and energy • Lower asset values • Higher portfolio volatility

7. Environmental Responsibility

Category	Operations Affected	Time Horizon	Description	Potential Financial Impacts
Transition Risks				
Policy and Legal Risk	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Medium to Long term (2035 to 2050)	<p>Stricter climate regulations (e.g., carbon taxes and climate-related disclosure requirements) may increase compliance costs and devalue investments with high ESG risks. Borrowers in high-ESG risk sectors may also face financial distress as a result.</p> <p>Potential environmental lawsuits (e.g., contributing to environmental damage and non-compliance with environmental regulations) may heighten litigation exposures.</p>	<ul style="list-style-type: none"> • Higher operational costs and legal costs • Potential reputational damages • Higher portfolio volatility • Higher bad debt risk
Technology Risk	<ul style="list-style-type: none"> • Hong Kong 	Medium to Long term (2035 to 2050)	<p>Rapid growth in demand for transitioning to low-carbon technologies may render certain investments and assets obsolete.</p> <p>Potential unsuccessful investment in new technologies may lower the profit of the Group.</p>	<ul style="list-style-type: none"> • Higher research and development costs and adoption costs for new technologies • Lower asset values

7. Environmental Responsibility

Category	Operations Affected	Time Horizon	Description	Potential Financial Impacts
Transition Risks				
Market Risk	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Medium to Long term (2035 to 2050)	<p>Market reorientation, driven by changing consumer preferences for sustainable products and services, may lead to intensified competition in green financial innovation.</p> <p>The potential widespread instability caused by the direct and indirect impacts of climate change may lead to increased market volatility and financial uncertainty.</p>	<ul style="list-style-type: none"> • Loss of revenue from investments with high ESG risks • Higher research and development costs for product and service innovation and competition • Higher portfolio volatility
Reputation Risk	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Short to Long term (2030 to 2050)	Inadequate climate action may lead to negative public perceptions.	<ul style="list-style-type: none"> • Potential reputational damages • Loss of clients and talents

7. Environmental Responsibility

Climate-related opportunities and their potential financial impacts

Category	Operations Affected	Time Horizon	Description	Potential Financial Impacts
Resource Efficiency	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Medium to Long term (2035 to 2050)	Green office practices and operations, such as water reduction and the use of more efficient office supplies, can enhance resource efficiency.	<ul style="list-style-type: none"> • Lower operational costs
Energy Source	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Medium to Long term (2035 to 2050)	Transitioning to renewable and low-carbon energy sources in place of traditional high-carbon energy can help reduce the energy expenditures of the Group in the long term.	<ul style="list-style-type: none"> • Lower operational cost
Product and Service	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Medium to Long term (2035 to 2050)	Introducing green financial products and services, such as green bond advisory and underwriting services, can facilitate the creation of new growth opportunities for the Group.	<ul style="list-style-type: none"> • New revenue streams from green financial products and services
Market	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Medium to Long term (2035 to 2050)	New opportunities for growth and expansion can emerge from market segments focused on eco-friendliness.	<ul style="list-style-type: none"> • New revenue streams from green financial products and services
Resilience	<ul style="list-style-type: none"> • Hong Kong • Singapore 	Medium to Long term (2035 to 2050)	Adoption of energy-efficiency measures can increase the resilience of the Group.	<ul style="list-style-type: none"> • Lower insurance claims and premiums • Lower operational cost

7. Environmental Responsibility

Based on our current assessment, and taking into account the mitigation and adaptation measures already in place, the residual climate-related risk over the short, medium, and long term is considered minimal. It is not expected to have a material impact on the Group's financial statements, cash flows, access to financing, or cost of capital, now or in the foreseeable future.

Scenario Analysis and Resilience Assessment on Portfolios and Capital Position

In 2025, the Group introduced a new risk management mechanism to capture, validate, and analyze relevant ESG data and scenario models, thereby strengthening the monitoring and integration of climate-related risk management.

The Group conducts regular scenario analysis and stress testing to evaluate the resilience of its portfolios and capital position against climate-related financial risks by utilizing the mechanism. In alignment with the NGFS framework, these exercises cover a range of short-term shocks and long-term transition pathways under severe yet plausible conditions. They address both physical risks, such as extreme weather events, and transition risks, including policy shifts, carbon pricing, and technological changes. The results guide the Group's risk appetite, capital planning, and strategic decision-making processes, ensuring that climate-related risks are managed on par with other material risks and providing a benchmark for near-term risk assessment and long-term strategic planning.

To enhance analytical rigor, the Group has developed a dedicated climate stress testing framework for its equity and bond investment and financing portfolios. For equity portfolios, the analysis projects relative market value adjustments under each climate scenario, based on assumptions such as no portfolio rebalancing during the testing horizon and the exclusion of dividend reinvestments or corporate actions. For bond portfolios, price variations are modeled through changes in policy rates and credit spreads across issuers and sectors, using projection factors consistent with a parallel yield curve shift. Where appropriate, the Group applies portfolio-level haircuts to stressed market values, providing additional structural protection and enhancing funding resilience under adverse short-term climate conditions.

The results of these analyses are aggregated at the industry level to identify risk concentrations and assess vulnerabilities, particularly within carbon-intensive sectors. Scenario outcomes are reviewed by senior management and the Risk Management Committee to inform portfolio diversification strategies, risk mitigation measures, and long-term capital planning. Regular business risk evaluation processes, including market and credit risk assessments, as well as reports to the Risk Committee, are also guided by these findings.

While the long-term effects of climate change remain uncertain, the Group views short-term climate stress tests as high resolution proxies for potential long-term impacts within broader transition narratives. To ensure the reliability of the analysis, the Group conducts periodic reviews of its climate stress testing methodology, underlying assumptions, and data coverage to maintain alignment with evolving regulatory guidance, market developments, and best practices.

Climate Transition Plan

The Group remains committed to strengthening its climate resilience in line with its parent company's "Guotai Haitong Three-year Special Plan for Green and Low-Carbon Transformation (2025–2027)". The plan provides a structured approach to managing climate related risks and opportunities, with a focus on transitioning towards green and low-carbon operations.

7. Environmental Responsibility

The Group continuously strengthens its green financing services by embedding ESG factors into business processes and financing project due diligence. Proposed measures include establishing a fast-track approval channel for green projects and enhancing ESG management during project lifecycles. In parallel, the Group intends to expand support for industrial and energy sector low-carbon transitions, offering comprehensive investment banking services such as IPOs, refinancing, and mergers and acquisitions, while developing innovative products, including but not limited to ESG-themed bonds aligned with international standards.

Looking ahead, the Group aims to expand its cross-border green finance business. By leveraging channels such as Qualified Domestic Institutional Investor, Qualified Foreign Institutional Investor, and Wealth Management Connect, it will seek to meet growing demand for international green investment of customers. Planned initiatives include supporting low-carbon enterprises in issuing green bonds in Hong Kong, encouraging alignment with the China-EU Common Ground Taxonomy and International Capital Market Association standards, and strengthening cooperation with international carbon markets. The Group also intends to deepen partnerships with global financial institutions and promote green finance initiatives along the Belt and Road, including cross-border securitization and carbon finance innovations, thereby contributing to sustainable development at both regional and international levels.

The transition plan is built on several key assumptions. It anticipates that ongoing advancements in low-carbon technologies and sustainable investment frameworks will generate new opportunities for financing solutions that support clients in their transition. The plan also relies on continued policy and regulatory support, which provides a solid foundation for the Group's efforts to integrate climate considerations into its investment and financing strategies.

Effective implementation of the transition plan depends on several external factors, including the maturity of green finance markets, the availability of credible ESG data, and access to recognized sustainable investment products. Collaboration with issuers, investors, and regulatory bodies will be critical to ensuring consistency and credibility in financing activities. The effectiveness of the plan also relies on ongoing policy support and incentive frameworks that promote green bonds, sustainable investment vehicles, and energy-efficient financing solutions within the financial sector.

7.2.3. Climate-related Risk Management

The Group undertakes regular reviews of climate-related risks and opportunities to monitor significant climate change issues and assess their potential business and financial impacts on operations. Following a comprehensive risk identification and assessment, the Group engaged internal stakeholders to evaluate the implications of the findings. This process enables key management personnel to recognize the challenges posed by climate change and to take proactive measures in response. In line with the relevance and materiality of identified risks, the Group develops and periodically reviews targeted strategies, management practices, and controls to strengthen its risk management proficiency and resilience.

The Group has adopted a holistic approach by embedding climate risk management into its overall risk framework, ensuring that material climate risks are identified, measured, assessed, and mitigated across market, credit, operational, and other risk categories. As part of this integration, the Risk Management Department established policies and procedures to incorporate climate risk considerations into daily operations. ESG and climate risk assessments form part of the approval process for investment and financing activities, serving as key evaluation criteria. To further reinforce risk management, the Group implemented a negative list and enhanced due diligence guidelines and processes. ESG factors are also integrated into daily public opinion monitoring, allowing risk teams to respond promptly to significant ESG-related events.

7. Environmental Responsibility

The Group remains committed to incorporating industry best practices to strengthen its capacity to respond to climate change measures. This commitment includes regular reviews of emerging industry responses and trends, allowing timely updates and enhancements to the Group's climate risk management practices. To specifically address risks associated with both public and private funds managed by the Group's asset management business, the Group has implemented the Asset Management Climate-related Risk Management Policy. This policy sets out the management of climate-related risks across governance, investment management, and risk management dimensions within the asset management function.

These initiatives highlight the Group's commitment to embedding climate awareness at the core of its risk management strategy, ensuring a proactive and informed response to climate-related challenges throughout the organization.

For more details, please refer to Section 8. Green and Sustainable Finance of this Report.

BCP

In response to the risks posed by extreme weather due to climate change, the Group has developed BCPs within a standardization framework that prioritizes critical processes and support functions across its core businesses. These plans are intended to safeguard against major business disruptions and ensure continuity of operations during disasters and severe weather conditions.

The BCPs follow a disciplined cycle of design, testing, evaluation, review, and updating to preserve their effectiveness. Regular drills and simulations are conducted under realistic conditions, enabling the Group to identify vulnerabilities and implement necessary improvements. This iterative approach ensures the plans remain responsive to evolving risks.

An annual assessment mechanism has also been established to verify the validity, completeness, and alignment of the BCPs with recognized best practices in business continuity management. Updates are made as required, reflecting changes in the operating environment, technological advancements, and lessons learned from past incidents. Through these measures, the Group strengthens its resilience against climate-related impacts and safeguards the stability of its operations. In October 2025, the Group successfully completed a BCP drill, involving numerous systems used in daily work. This exercise demonstrated the effectiveness of the BCP in safeguarding daily operations under real-life conditions.

The Staff Handbook sets out working arrangements during "extreme condition" weather warnings to ensure consistency with the BCP. It details the severe weather trading at the Stock Exchange, providing clearer guidance on protocols and reinforcing the practicality of the BCP.

To further support operational continuity during extreme weather, the Group enables remote access systems so employees can work from any location. It also maintains readiness to relocate designated disaster recovery office sites if necessary, ensuring uninterrupted business operations.

7.2.4. Climate-related Metrics and Targets

The Group sets metrics and targets monitor its exposure to climate-related risks and potential opportunities. It regularly measures, reports, and tracks GHG emissions from business operations, while maintaining a comprehensive carbon inventory that supports the formulation of carbon reduction strategies and targets.

In 2025, overall operational GHG emissions decreased by approximately 9% YOY, demonstrating the Group's effort on carbon reduction throughout daily operations. The Group aims to reduce the need for air travel through different measures, such as video meetings and flexible working arrangements.

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The Group currently monitors and reports on Categories 1, 5, 6, 7, and 15 of Scope 3 GHG emissions. The Group will continue to explore the feasibility to broaden the data coverage Scope 3 emissions disclosures to cover additional activities across both upstream and downstream value chains, thereby enhancing transparency and strengthening the monitoring of its carbon footprint throughout the entire value chain.

For details on GHG emissions, please refer to Section 7.4 of the Environmental Performance Table in this Report.

The Group will continue to evaluate and monitor GHG emissions across its investment value chain, while sustaining appropriate risk management practices to align with regulatory requirements. In addition, it will extend its monitoring to incorporate climate-related considerations that go beyond compliance, integrating these factors into decision-making process, and adjusting risk management according to actual circumstances to ensure a comprehensively coordinated response.

The Group is also committed to establishing more refined metrics and targets in response to climate-related risks, strengthening its capacity to measure progress in addressing climate change. Where practicable, the Group will formulate long-term carbon reduction strategies and targets to minimize its carbon footprint, regularly review these measures to ensure effectiveness and facilitate necessary updates to strategies, thus reinforcing its commitment to addressing climate change.

7.3. Green Office and Operation

Despite financial institutions typically having relatively low operational emissions, the Group acknowledges the importance of addressing its environmental impact and operating sustainably. Guided by its ESG policy, the Group focuses on implementing measures to reduce and mitigate the environmental effects of its business activities. The policy covers key areas including climate change management, energy efficiency, waste reduction, low-emission travel, and biodiversity conservation. In alignment with its objective of minimizing environmental footprint, the Group prioritizes the effective management of energy consumption, water usage, air emissions, and waste generation, ensuring that sustainability considerations are embedded across its operations.

Energy and Air Emissions Management

To manage energy consumption and air emissions effectively, the Group implemented a series of targeted initiatives designed to enhance operational efficiency and reduce its environmental footprint.

Electricity consumption remains the primary source of carbon emissions in the Group's daily operations. To improve energy efficiency, power-saving reminders have been placed near office switches to increase employee awareness of energy conservation. As of 2025, 62% of the Group's office lighting has been upgraded to LED, with a target of achieving 100% adoption by 2030. Indoor office temperatures have been maintained at 25°C or above to further reduce electricity demand for cooling.

The Group has continued to activate power-saving modes for computer monitors and to reduce energy usage through the adoption of cloud-based systems. These include the implementation of VDI and the wider use of VPN technologies to support both daily operations and BCP. These initiatives facilitate hot desking and help minimize the total number of computers in use. In 2025, the Group successfully reduced the number of desktop computers by 50 units. Meanwhile, by optimizing server utilization through VMs and containerization technology, the Group reduced the total number of physical server racks in external data centers by 40%, while increasing the number of VMs by 35%.

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In alignment with its focus on reducing energy consumption, the Group strictly complies with the Code of Practice for Energy Efficiency of Building Services Installation issued by the Electrical and Mechanical Services Department of the Hong Kong Government during office renovation projects. In the future, the Group will continue to explore further energy-saving measures, such as the use of zone timers and open-plan office layouts, to maximize space and energy efficiency.

At the same time, the Group recognizes the need to manage air emissions generated by its operations. To minimize these impacts, the Group's future vehicle replacements will give preference to new energy vehicles. The Group also continues to encourage video conferencing via virtual meeting platforms to reduce business travel and to select low-emission transportation options for essential trips. The Group closely monitors fuel consumption to avoid resource wastage and ensure operational efficiency.

For more information on energy consumption and air pollutant data, please refer to Section 7.4. Environmental Performance Table of this Report.

Water Management

The Group's water consumption is largely confined to office activities and office cooling, and given the nature and location of its operations, water sourcing is not regarded as a material concern. Nonetheless, the Group remains committed to promoting conservation in its daily practices. Measures include the installation of leakage sensors and the placement of water-saving signage near faucets and dispensers, reinforcing employee awareness and encouraging responsible usage.

As water consumption data is centrally recorded by the building management office and individual water meters are not installed in the offices, the Group is unable to provide specific figures for office water consumption. However, information on separately purchased chiller water supply is available and disclosed where applicable.

For water consumption details, please refer to Section 7.4. Environmental Performance Table of this Report.

Waste Management

Most of the waste generated from the Group's business operations is non-hazardous, consisting primarily of household waste, office consumables, and paper. To effectively manage both hazardous and non-hazardous waste, the Group has implemented a range of initiatives focused on digitalization, paperless operations, and responsible recycling practices through cross-departmental collaboration.

Non-hazardous Waste

The Group has continued to advance digital transformation to reduce paper consumption across its operations. In 2025, digitalization efforts were expanded through further optimization of the Junhong Global and the introduction of additional internal electronic workflows, promoting paperless operations and operational efficiency.

During the year, several key service processes on the Junhong Global were enhanced to facilitate online customer applications, including secondary activation of dormant accounts, online submission of supplementary account documents, and online market opening or closure for trading. The Group also optimized its online account-opening platform, improving both front- and middle-end systems. Enhancements included more transparent client-side information display, integrated disclosure of interests, address and tax-related uploads, business process photo viewing, and improved adaptation for southbound account opening and deposit functionalities. In parallel, the Group broadened its digital service suite by introducing cryptocurrency trading within the Junhong Global. Clients can now initiate crypto account applications and access 24/7 online trading services, offering greater convenience for wealth management while reducing the environmental impact of traditional in-person or paper-based onboarding.

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The paperless customer satisfaction survey also remained fully online, with upgrades to the submission interface simplifying data entry and follow-up procedures. These refinements improved the efficiency of feedback collection while eliminating the need for hard copy questionnaires.

Beyond customer services, the Group reinforced workplace sustainability measures. Initiatives included providing reusable utensils in pantry areas and encouraging employees to use personal containers for takeout, thereby reducing single-use plastics. The Group recycled 100% of used coffee capsules and maintained a comprehensive recycling and reuse program for office supplies such as idle stationery. Waste separation bins were placed on every office floor, supported by clear signage to guide proper disposal. In collaboration with qualified vendors, the Group recycled paper, plastic, and metal waste generated from operations and remains committed to expanding recycling coverage to additional materials wherever feasible.

Hazardous Waste

Efforts to minimize hazardous waste focus on adopting VMs, containerization and reducing the use of toners and cartridges through the Group's transition to paperless operations.

The waste prevention practices have been further strengthened through lifecycle management of IT hardware. A detailed asset inventory was compiled to catalogue all devices with purchase and expected end-of-life dates, enabling more accurate forecasting and responsible disposal planning. To minimize electronic waste, the Group adopted a standardized four- to five-year refresh cycle for laptops and desktops, while prioritizing random access memory (RAM) and solid state drive (SSD) upgrades over full replacements. This approach extended equipment lifespans and reduced premature disposal.

In 2025, the Group achieved a 100% recycling rate again for hazardous waste, ensuring proper handling and disposal. Waste toners and cartridges were returned to suppliers, light tubes were sent back to the building management office for appropriate disposal, and electronic devices were managed by vendors approved by the Hong Kong Government for electronic waste disposal.

Achieving Carbon Neutrality

In 2025, the Group successfully offset its Scope 1 and Scope 2 GHG emissions in 2024 (609.29 tonnes of CO₂ equivalent) by purchasing carbon credit assets of the verified carbon standard forestry projects, achieving carbon neutrality at the operational level for the third consecutive year. This initiative highlights the Group's commitment to addressing climate change and supporting biodiversity through reforestation efforts. The Group will continue to align with the national "dual carbon" goals, actively exploring opportunities to further reduce GHG emissions through improved energy efficiency, water conservation, and waste minimization. These initiatives form an integral part of the Group's comprehensive approach to environmental responsibility under its ESG framework, reinforcing its commitment to sustainability and long-term climate action.



During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to air and GHG emissions, discharges into water and land, or the generation of hazardous and non-hazardous waste that could have a significant impact on its operations.

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Environmental and Biodiversity Conservation

In April, the Group’s volunteer team conducted a tree survey activity at the Mai Po Nature Reserve. This initiative reflects the Group’s ongoing commitment to environmental stewardship and forms a key part of its broader strategy to conserve natural resources. By assessing and managing the tree structure within the reserve, the activity contributes directly to biodiversity protection and the maintenance of ecological balance, demonstrating a tangible, positive impact on local ecosystems.



The Group also marked International Biodiversity Day on 22 May by showcasing its lasting biodiversity conservation efforts and carrying out internal and external campaigns to raise awareness about the importance of protecting ecosystems. This initiative aims to strengthen the awareness of employees and clients on biodiversity issues, encouraging shared responsibility and joint efforts to safeguard ecosystems and advance environmental protection.



Under the ongoing “Love • Infinity – Green • Future” program, the Group has persistently reinforced its dedication to the environment through a range of activities over the years, including reforestation, mangrove conservation, and coastline restoration, demonstrating the Group’s long-term commitment to preserving natural habitats and enhancing ecological resilience.



7. Environmental Responsibility

Fostering Environmental Consciousness

In 2025, the Group launched a series of initiatives to deepen employees’ understanding of sustainability and embed environmentally friendly practices into both workplace operations and daily life. These efforts reflect the belief of the Group that lasting progress in environmental stewardship begins with individual awareness and collective action.

To strengthen internal awareness, the Group once again participated in the “Earth Hour” campaign in March, encouraging employees to switch off non-essential lights at work and at home. This symbolic gesture reinforced their energy-saving habits and highlighted the importance of collective responsibility in reducing carbon emissions.



In addition, the Group organized three innovative and engaging workshops, including creating solar-powered lamps, building moss micro-landscapes, and repairing electrical appliances. These activities inspired employees to better appreciate the urgency of ecosystem protection and responsible resource management. More importantly, participants were empowered to translate this awareness into tangible environmental actions, thereby strengthening personal accountability and advancing the Group’s overall contribution to sustainable development.

Beyond the workplace, the Group also extended its environmental advocacy to the wider community. Through social media campaigns, the Group sought to raise public awareness of pressing environmental issues and promote sustainable living concepts. On global occasions such as World Earth Day, Arbor Day, World Environment Day, and World Water Day, the Group released themed posters and educational content showcasing its own environmental protection practices. At the same time, the Group encouraged the public to take part in green initiatives and adopt environmentally responsible lifestyles, amplifying collective impact through shared action.



7.4. Environmental Performance Table

Performance Indicator	Unit	2025	2024
GHG Emissions¹			
Scope 1 Emissions ²	tonnes CO ₂ e	9.93	8.26 ³
Scope 2 Emissions ⁴	tonnes CO ₂ e	544.40	598.85
Total Operational GHG Emissions (Scopes 1 & 2)	tonnes CO ₂ e/employee	554.33	607.11 ³
Operational GHG Emission Intensity	tonnes CO ₂ e	0.80	0.97 ³
Operational GHG Emission Intensity	tonnes CO ₂ e/sq.ft.	0.01	0.01 ³
Scope 3 Emissions			
Category 1 – Purchased Goods and Services ⁵	tonnes CO ₂ e	2,218.08	–
Category 5 – Waste Generated in Operations ⁶	tonnes CO ₂ e	5.67	5.97
Category 6 – Business Travel ⁷	tonnes CO ₂ e	1,385.64	560.01
Category 7 – Employee Commuting ⁸	tonnes CO ₂ e	309.01	–
Category 15 – Investments ⁹	tonnes CO ₂ e	60,467.59	–
Total GHG Emissions (Scopes 1, 2 & 3)	tonnes CO ₂ e	64,940.32	1,173.09 ³
Energy Use			
Petrol ¹⁰	MWh	41.79	34.78 ³
Electricity	MWh	897.06	900.83
Cooling (Electricity)	MWh	29.07	31.55
Total Energy Consumption	MWh	967.91	967.16 ³
Intensity of Energy Consumption	MWh/employee	1.40	1.55 ³
Intensity of Energy Consumption	MWh/sq.ft.	0.01	0.01 ³
Air Emissions¹¹			
Nitrogen Oxides (NO _x)	kg	1.68	1.39 ³
Sulphur Oxides (SO _x)	kg	0.06	0.05 ³
Particulate Matter (PM)	kg	0.12	0.10 ³
Water Consumption¹²			
Water Consumption	m ³	252.00	254.80
Intensity of Water Consumption	m ³ /employee	0.36	0.41
Intensity of Water Consumption	m ³ /sq.ft.	0.00	0.00
Waste			
Total Hazardous Waste	kg	1,532.28	2,277.53
Intensity of Hazardous Waste	kg/employee	2.21	3.66
Intensity of Hazardous Waste	kg/sq.ft.	0.02	0.03
Total Non-hazardous Waste	kg	14,570.00	16,458.84
Intensity of Non-hazardous Waste	kg/employee	21.05	26.42
Intensity of Non-hazardous Waste	kg/sq.ft.	0.19	0.21

- GHG emissions are calculated with reference to the GHG Protocol published by the World Resources Institute and the World Business Council on Sustainable Development, the Global Warming Potential Values from the IPCC Sixth Assessment Report published by the IPCC, the Calculation Tools and Guidance: Emission Factors published by GHG Protocol, the United Kingdom Government GHG Conversion Factors for Company Reporting published by the Department for Business, Energy and Industrial Strategy in the United Kingdom, GHG Emission Factors Hub published by the United States Environmental Protection Agency and other national and local grid emission factors. The GHG emissions are location-based, with emission factors updated annually to reflect the actual situation regarding emissions.
- Scope 1 emissions include combustion of unleaded petrol and fugitive emissions from refrigerant.
- The Group has revised the scope of its data on petrol usage in this year by excluding emissions from a vehicle that are not under its operational control.
- Scope 2 emissions include indirect emissions from electricity.
- Scope 3 emissions (Category 1) cover emissions from purchased goods and services, including but not limited to office furniture, office equipment, IT hardware and software, and professional services.
- Scope 3 emissions (Category 5) cover the emissions from disposal and treatment of paper, plastic, metal, commercial and industrial waste generated in our operations.
- Scope 3 emissions (Category 6) cover the emissions from transportation and accommodation associated with business trips. In 2025, the scope was expanded beyond air travel (as reported in 2024) to include all modes of transportation as well as accommodation.
- Scope 3 emissions (Category 7) cover the emissions from the transportation of employees between their homes and their worksites.
- Scope 3 emissions (Category 15) cover the financed emissions of the Group. The current scope is limited to the data presently available, and the Group will continue to expand coverage of financed emissions as additional information becomes accessible.
- The liter-MWh conversion factors from the International Energy Agency's Energy Statistics Manual are applied, including 1,350 liters per tonnes and a gross calorific value of 47.1 GJ/T, with 1GJ equaling 277.778 kWh.
- Refer to combustion of fuels by vehicles for commercial use. The emission factors used were based on Hong Kong Environmental Protection Department's EMFAC-HK Vehicle Emission Calculation model and the United States Environmental Protection Agency's Vehicle Emission Modelling Software – MOBILE6.1.
- The water consumption data disclosed includes only the chiller water supply provided by our building management office.

8. Green and Sustainable Finance



In recent years, green and sustainable finance has become a critical driver in the transition toward a low-carbon economy. Recognizing its importance, the Group, continues to incorporate ESG considerations, including climate-related factors, into its investment and financing activities. The Group remains committed to strengthening its ESG business framework in line with its parent company's "Action Plan for Comprehensively Enhancing Green Finance Service Capabilities (2023-2025)" and "Three-year Special Plan for Green and Low-Carbon Transformation (2025-2027)". This initiative aims to implement new development concepts while capitalizing fully, accurately, and comprehensively on opportunities arising from green transformation and development. By embedding ESG factors across all operational and management processes, the Group aims to enhance the quality of its green financial services, support the achievement of the national "dual carbon" goals, and promote high-quality economic and social development.

The Group has established ESG policies and strategies across its diverse investment and financing operations, which include investment management, wealth management, and corporate finance services, including debt capital markets, equity capital markets, and sponsor and advisory services. Each business line has formulated its specific ESG policies that outline the criteria and screening principles for investment and financing activities. These policies facilitate the integration of ESG factors into due diligence, risk assessment, and decision-making processes, with the objective of increasing the proportion of green and sustainable investments and financing while avoiding controversial sectors with high ESG-related risks.

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The Group performs enhanced ESG due diligence processes to identify and mitigate potential risks associated with carbon-intensive industries or those lacking clear decarbonization plans. Additionally, climate-related financial disclosures aligned with the Task Force on Climate-related Financial Disclosures framework are integrated into assessment processes. The Risk Management Department also conducts negative news screening based on over a hundred ESG-related factors for larger proprietary investment and financing positions. The system is designed to identify potential risks that could impact the firm's investments, continuously monitoring various news sources and databases for adverse developments related to ESG issues. Daily reports are generated and sent through email to all risk management teams, providing them with timely insights into any negative news that may affect their portfolios. In cases where significant concerns are identified, follow-up actions would be initiated to further investigate the implications and determine appropriate risk mitigation strategies.

The Group has integrated ESG risk factors into its credit rating assessments and embedded ESG due diligence within its standard credit risk evaluation processes to enhance the control and assessment of ESG risks at the operational level. The credit risk team under the Risk Management Department conducts thorough ESG due diligence for financing activities, assessing clients' ESG performance across multiple dimensions. This includes reviewing ESG scores from independent sources, ESG reports, and credit ratings to form a comprehensive view of each client's performance.

The scope of the Credit Risk Policy covers business types of the Group, including but not limited to lending, debt securities underwriting, derivatives trading, and other financing activities. The Risk Management Department is responsible for monitoring credit exposure and ensuring ongoing compliance with the policy by reviewing client exposure details during the credit approval process and evaluating relevant credit risk reports. Additionally, the Risk Management Department conducts regular ESG risk monitoring, scenario analysis, and climate-related stress testing to assess portfolio resilience under severe but plausible conditions. Results from these exercises, along with ESG risk metrics, are systematically reported to senior management and the Risk Management Committee. Any material issues or exceptions are promptly escalated for review, ensuring continuous oversight and timely decision-making.

The Group has established a credit risk framework for identifying transactions with high ESG risks, such as clients involved in mining, agriculture, power utilities, coal, and oil and gas. Beyond the standard level of scrutiny applied to transactions without significant ESG risks, a more comprehensive review of ESG risk through a quantitative scoring methodology has been proposed by the credit risk team for these transactions, which includes a detailed outline of high ESG industries and a thorough procedure for the approval of ESG risk-related deals. Transactions that receive a score below 50% are classified as high ESG risk and should be escalated to the relevant management committee for review and approval, following enhanced ESG due diligence, which may include detailed ESG questionnaires, third-party reports, and site visits.

This comprehensive process has been formally implemented into the Credit Risk Policy to guide our ESG screening and due diligence processes. Under current practices, the Risk Management Department, in collaboration with the relevant business departments, analyzes the ESG risk characteristics of clients operating in high ESG industries. This analysis will support the development of tailored due diligence and risk audit processes specifically designed to address the significant ESG-related credit risks of these clients. The escalation process also ensure that decisions consider financial, regulatory, and reputational implications before rejecting financing. By applying this structured approach, the Group maintains consistency, transparency, and accountability in managing ESG risks within its credit approval process.

Each business head is responsible for overseeing ESG risk management, including climate-related risks, within their respective investment and financing activities, and remains accountable to the CEO. Through this governance structure, the Group aims to support clients in their low-carbon transitions, thereby creating lasting value and fostering positive environmental and societal outcomes.

8. Green and Sustainable Finance

During the year, the Company has engaged in numerous notable green and sustainable projects:

Green and Sustainable Projects – Debt Capital Market

In July 2025, as the lead global coordinator and exclusive transition structuring advisor, the Group assisted Zhangzhou Jiulongjiang Group Limited in the successful issuance of US\$500 million S&P transition bonds, the first S&P transition USD bond in the country and the first such case in the Asia-Pacific region. The bonds set the record for the largest issuance size and the lowest issuance interest rate among local state-owned enterprises with the same rating nationwide since 2023. The transaction received extensive attention from market investors, with the peak order book exceeding 3 times the issue size and the final subscription ratio reaching 2 times. The final coupon rate was narrowed from the initial price guidance, further reducing the client's financing costs.

In November 2025, as the joint global coordinator and green structuring advisor, the Group assisted Guangzhou Development District Holding Group Limited in the successful issuance of US\$500 million 2-year green bonds. The coupon rate of the bonds marked the lowest coupon rate for USD bonds issued by district-level local state-owned enterprises in Guangdong Province in the last three years. The Group acted as the global coordinator for the sixth consecutive time to assist the client in its offshore bond issuance, further deepening its cooperation with the client.

Green and Sustainable Projects – Promoting Sustainable Development through Green Finance

Sustainability-linked Loan

In 2025, the Group renewed the HK\$500 million multi-currency sustainability-linked loan with OCBC Bank (Hong Kong) Limited and completed a HK\$200 million multi-currency sustainability-linked loan with Bank of China (Hong Kong) Limited.

Both facilities were linked to a series of pre-defined ESG targets, including enhancing fundraising efforts for environmentally impactful projects and expanding ESG-themed training and development initiatives for employees, addressing critical ESG challenges within the sector. The performance of these metrics was assessed annually by an external and independent reviewer, ensuring compliance with internationally recognized sustainability-linked loan principles. All the KPIs had been successfully achieved in 2025.

This initiative not only underscores the commitment of both institutions to sustainable finance, but also sets a precedent for future efforts in promoting responsible business practices within the securities brokerage industry.

Green and Sustainable Projects – Promoting Sustainable Development through Green Finance

Green Deposit

In 2025, the Group successfully completed two green deposit transactions with Chong Hing Bank Limited. The funds from these deposits would be allocated to support a range of projects focused on the development of green buildings, renewable energy, energy efficiency, pollution prevention and control, and clean transportation, sustainable water and wastewater management. These green deposit projects aim to encourage collaboration across various sectors of society to effectively tackle climate and environmental challenges, thereby promoting a transition towards a low-carbon and sustainable economy.

These green deposits received independent limited assurance verification from HKQAA, ensuring that the deposited funds would be utilized for eligible green projects in alignment with Chong Hing Bank's "Green, Social, Blue and Sustainability Deposit Framework".

8.1. Responsible Investment Practice

The Group is committed to sustainability and integrates responsible investment practices into portfolio management by embedding ESG considerations into the investment process. Through this approach, the Group seeks to enhance traditional financial analysis with a systematic evaluation of potential investments based on ESG performance. This methodology enables the identification of opportunities that are financially sound while also supporting long-term, sustainable value creation for the organization, its clients, and the wider community, thereby advancing responsible investment objectives.

To promote sustainable finance development in a structured manner, the Company has been continuing to strengthen its ESG governance framework. It has established a three-tier governance structure of "supervisory-management-execution level", designed to embed ESG and responsible investment activities thoroughly across its operations. Details are as follows:

8. Green and Sustainable Finance

Responsible Investment Governance Structure	Major Duties
Supervisory Level	
The Board	The highest governing body of the Group's ESG issues and is ultimately responsible for overseeing matters concerning ESG, including climate-related issues, for the Group, covering matters include but not limited to risks, governance, policies objectives and strategies related to responsible investing.
ESG Committee	Established by the Board as a functional committee and chaired by an INED, the ESG Committee comprises members responsible for key functions including corporate governance, legal and compliance, risk management, human resources functions as well as asset management and investment businesses. The ESG Committee reports to the Board at least once a year. Responsible for, include but not limited to, formulating visions and strategies related to responsible investment, identifying relevant risks and opportunities, providing recommendations to the Board.
Management Level	
Relevant Management Committees	Relevant Management Committees, include but not limited to Investment Committee, are responsible for discharging corresponding duties. The Investment Committee is authorized to oversee the Group's investment portfolios adhering to the Group's risk tolerance. Investment portfolios may include but not limited to assets in the primary and secondary markets.
Sustainable Finance Working Group	Bearing the managing responsibility for organizing, coordinating and facilitating the implementation. Members include heads of all business units, including asset management, investment, wealth management and corporate finance businesses. Responsible for implementing strategic deployments and decision-making requirements, integrating ESG factors into every aspect of the operations, and reporting to the ESG Committee.
Execution Level	
All Relevant Departments	Responsible for implementing the decisions and goals set by the supervisory and management levels, and performing its respective ESG duties accordingly.

GTHT (including its subsidiary, Guotai Junan International) being a signatory to the PRI as an "investment manager" since 2023. This demonstrates our strong commitment to responsible investment, with the Group adhering to the six principles outlined by the PRI.

The Six PRIs:

- 1) Incorporating ESG issues into investment analysis and decision-making processes;
- 2) Being active owners and incorporate ESG issues into its ownership policies and practices;
- 3) Seeking appropriate disclosure on ESG issues by the entities in which the Group invests;
- 4) Promoting acceptance and implementation of the principles within the investment industry;
- 5) Working together to enhance its effectiveness in implementing the principles; and
- 6) Reporting on its activities and progress towards implementing the principles.

The Group incorporates ESG considerations throughout the entire investment and credit decision-making process across its diverse businesses, which may include but are not limited to, equity investments in listed companies and emerging markets, fixed-income investments for both corporate and non-corporate clients, as well as private equity and alternative investment activities. The Company has published its Responsible Investment Statement, which outlines the responsible investment strategies and applications across its investment operations. This statement serves to enhance understanding and implementation of responsible investment practices more broadly and is available on the website of the Company. In addition, relevant departments have integrated ESG factors into their investment policies and assigned dedicated staff to support ESG integration within their operations. All business units maintain designated ESG personnel, who also participate in ESG working group meetings to ensure alignment and coordination across the Group.

Key ESG Investment Practices

ESG Screening and Integration

The Group has developed and implemented comprehensive ESG screening and integration measures to strengthen the management of our investment portfolios. While positive screening may be applied in some cases to select projects or counterparties with satisfactory ESG performance for fund management businesses, the primary focus remains on negative ESG screening across all investments. The screening process applies minimum ESG score thresholds, sector exclusions, and controversy reviews to ensure that companies with significant controversies or those misaligned with PRI are excluded. This approach seeks to avoid industries associated with higher ESG-related risks, such as higher levels of pollution and energy consumption. External ESG ratings, news, and data serve as the main tools for assessing ESG factors, supplemented by the Group's internal ESG system and checklist.

The general screening process begins with an initial phase, where proposed investments or trading proposals from trading desks undergo an ESG assessment based on established criteria and ESG scores. Investments that pass this stage proceed to a detailed analysis, involving a more thorough evaluation of companies or issuers that takes into account additional qualitative ESG factors and future prospects. Following this analysis, investments or trading proposals that meet the ESG criteria advance to the approval process, overseen by the Risk Management Department with the involvement of relevant management committees as appropriate.

The Group applies a structured screening approach with clearly defined criteria to ensure effective ESG integration. A minimum ESG score threshold is established to set a baseline for investment eligibility, with securities falling below this threshold excluded from the portfolio. In addition, sector exclusions are applied to remove industries with inherently high ESG risks, such as tobacco and controversial weapons, from the investment universe. To further refine the process, controversy screening is conducted to exclude companies that fail to comply with UN Global Compact principles or that are involved in significant ESG controversies, including environmental disasters, human rights violations, or major governance issues.

8. Green and Sustainable Finance

Where applicable, the ESG factors assessed in the Group's investment process include, but are not limited to:

- Environmental factors including carbon footprint, waste management and resource use;
- Social factors including labor practices, human rights, community engagement and supply chain management; and
- Governance factors including board diversity and executive compensation transparency.

To specifically address the risks associated with both public and private funds managed by the Group's asset management business, the Group has adopted the Asset Management Climate-related Risk Management Policy. This policy guides the incorporation of ESG factors into investment decisions for all public and private funds under their management. It applies to investments in both emerging and developed markets and covers all stages of the investment process, including preliminary screening, investment research, portfolio selection, and risk management. The investment teams are required to consider various ESG factors that impact their investments. The Asset Management Climate-related Risk Management Policy is available on the website of the Company under the "ESG Info" section.

Ongoing monitoring

Ongoing monitoring is a vital aspect of our ESG strategy. The Risk Management Department conducts regular monitoring to continuously assess the ESG performance of investments in the portfolio, updating ESG scores and reassessing eligibility periodically. Additionally, annual reviews are performed to evaluate the relevance and effectiveness of the ESG screening criteria and thresholds. Furthermore, the department provides regular reporting on the ESG risks and scores of the portfolio, detailing any changes made due to ESG considerations. On the other hand, respective investment teams would utilize external scoring to monitor each fund's overall ESG risk, including GHG emissions and carbon risks, as deemed necessary. They review these risks and alert the investment teams of any significant ESG risk downgrades or material declines in ESG performance, for further follow-up actions. In addition to external ESG ratings, external news, data and our internal ESG system and checklist are also utilized.

Specifically, the asset management department regularly monitors the carbon emission exposure and intensity of each portfolio held by the Group's asset management business by utilizing external data platforms and generating reports such as the Carbon Risk Rating Report and ESG Performance Score Report to obtain results and scores. This approach covers all portfolios managed by the asset management division and aims to promote ESG as a business philosophy that creates sustainable value for investors.

Different investment management businesses conduct regular ESG status reviews and assessments, including stressed situations and quantifiable matrix referencing market indices for individual investments, and ad-hoc evaluations when deemed necessary, tailored to their specific operations. Investment teams analyze how ESG factors could impact asset valuations, integrating these considerations into investment research and decision-making where relevant and material. This approach helps manage portfolio risks and identify potential opportunities. The results of the ESG may be discussed by the Investment Committee as part of its investment performance discussions.

8. Green and Sustainable Finance

In the portfolio review process, if investment management teams identify cases where investees fail to meet ESG expectations, they will carry out follow-up and escalation procedures if deemed necessary. For example, principal investment management team has established a trigger and reporting mechanism for ESG risks related to portfolio holdings. As part of its ESG risk monitoring process, the team monitors the ratings assigned by rating agencies to underlying positions, and a notification is triggered for any ratings that fall below a specific threshold. When the threshold is reached, the team shall notify notifies the portfolio managers and the department head. Following this assessment, portfolio managers may adjust positions as deemed appropriate after discussing the situation with the department head. If an investment is deemed to have breached internal criteria and/or has negatively affected the overall portfolio ESG score, an exit strategy may be deliberated internally, taking into account valuation, the severity of the breach, investment outlook, and the execution timetable.

Engagement with investees

It is the Group's responsibility to safeguard clients' interests and place their needs at the forefront. To this end, the Group closely monitors and regularly engages with companies to ensure that corporate practices remain aligned with prevailing best standards. Through stewardship engagements, the Group seeks to encourage investee companies to progressively adopt more sustainable business practices, ultimately supporting greater value creation. Examples of our engagement efforts include:

- **Thematic Engagement:** focusing on emerging ESG issues that the Group identify as significant
- **Event-driven Engagement:** focusing on contacting investees directly whenever a pertinent ESG concern arises, allowing communication to ensure that these challenges are recognized and prioritized. The Group would request investees to take appropriate actions to resolve these issues
- **Proxy-voting:** focusing on communicating with the board and management regarding proxy voting motivations. The Group will object to management decisions if they entail adopting ESG-unfriendly strategies

However, we recognize that the extent of stewardship activities may vary depending on investment strategies. For example, strategies with shorter investment horizons or smaller-scale funds may have more limited capacity for direct engagement. In such cases, the approach to stewardship and proxy voting may be adjusted accordingly while maintaining the Group's overall ESG commitment.

The Group has established the Asset Management Proxy Voting Policy to provide a systematic and effective approach to exercising proxy voting, aiming to protect the interests of our clients and shareholders while solving ESG issues where relevant. The policy clearly shows our stance and factors considered on various ESG matters, including directorship, executive compensation, distribution, auditors, and other corporate issues. The investment team within the Group's asset management division is primarily tasked with implementing this policy, while the compliance team periodically reviews its execution to ensure it aligns with our commitment to investor interests and ESG standards. The Asset Management Proxy Voting Policy is available on the website of the Company under the "ESG Info" section.

8. Green and Sustainable Finance

Private Equity Management

For the private equity business, the Group has established an ESG Policy for Private Equity Management to guide the incorporation of ESG factors into the identification of potential investees, the investment decision-making process, and post-investment management. The private equity division consistently focuses on investing in high-quality, innovative, and sustainable companies, ensuring that ESG considerations are embedded into the selection process.

The Group's target sectors include AI, autonomous driving and freight, green and sustainable development, the internet, and biotechnology. In addition, the policy emphasizes the importance of fostering ESG-related training for both employees and investees, reinforcing the integration of ESG principles throughout the investment lifecycle.

Further to general ESG screening practices, the private equity business employs a more comprehensive approach when screening potential investees, incorporating risk identification, thematic investing, and both negative and positive screening:

- **Risks Identification:** Incorporating ESG factors into our investment analysis and decision-making processes to identify risks and opportunities
- **Thematic Investing:** Ensuring Investments are aligned with sustainability themes, such as renewable energy or social equity
- **Negative Screening:** Avoiding high-risk industries like gambling and highly polluting or controversial sector
- **Positive Screening:** Giving priority to sectors endorsed by ESG principles, such as electric vehicles, renewable energy, ESG big data analytics, plant-based or lab-grown meat, and low-carbon trading systems

Furthermore, considering the risk characteristics of private equity investments, the Private Equity Management Department has developed an ESG factor evaluation system for investment analysis and portfolio management, focusing on 13 key ESG issues covering ESG aspects. Utilizing this evaluation system, the department conducts thorough due diligence on target companies through quantitative analysis, factor assessments, and interviews to identify potential ESG risks. ESG considerations are integrated into the investment strategy, with an emphasis on sustainability metrics and long-term viability. Investment decisions incorporate industry-specific assessments to avoid enterprises with significant ESG risks, thereby reinforcing the Group's commitment to responsible and sustainable private equity investment practices.

ESG issues considered:



The Private Equity Management Department has also established a unique evaluation framework to measure the carbon footprint of projects, enabling effective climate risk management.

To effectively oversee the performance of invested companies in the Group’s private equity portfolio, its nominated directors should diligently assess ESG performance during board deliberations where it holds board seats. In cases without board representation, the Group utilizes observer seats or publicly available information to monitor investee companies for significant ESG risks. Should such risks materially affect the value or performance of the investees, the Group escalates these matters promptly to the Investment Committee for informed decision-making.

Moreover, to enhance employees’ understanding of ESG principles, the Group encourages participation in ESG-related forums, reviews of past business cases, and discussions on sound judgment criteria. The Group also promotes the adoption of core ESG management practices among its investee companies, inviting them to engage in ESG-themed events organized by the Group. Specifically, for ESG due diligence staff, the Group regularly organizes training sessions to ensure employees remain informed about the latest ESG trends and regulatory requirements.

8. Green and Sustainable Finance

8.2. ESG Integration into Advisory and Financial Services

The Group recognizes the importance of capital in fostering the growth of the low-carbon economy. Through corporate finance businesses, the Group assists clients in securing essential capital through diverse channels to further develop their sustainable objectives.

ESG Integration in Financing Solutions

Direct Financing

In its commitment to integrating ESG principles into direct financing, the Group has established an internal ESG scoring and escalation process for direct financing businesses. The business departments, being the frontline, are responsible for implementing ESG assessments during the review and approval process. This includes conducting due diligence on the obligor and/or guarantor, regularly reviewing ESG risks, and escalating cases to the relevant business committees as necessary. Should any material risk factors be identified, the frontline should promptly notify the Risk Management Department. The frontline and the Risk Management Department should then collaborate to develop necessary risk mitigation measures.

The ESG risk assessment is critical for identifying anomalies and measuring the exposure of underlying companies to ESG risks. To support this, the Risk Management Department has established an internal guideline in relation to Industries with High ESG Risks, which defines sectors that pose significant risks to the environment, biodiversity, and climate change. Where obligors or guarantors operate within these high-risk industries, the frontline applies a quantitative ESG scoring methodology to evaluate overall performance, considering factors such as climate change, environmental sustainability, human capital, labor welfare, social responsibility, information security, corporate governance, shareholder rights, and information transparency.

For obligors and guarantors in high-risk industries, the frontline conducts an ESG scoring assessment using the designated tools or scoring systems where available. A score below a determined threshold indicates high ESG risk and necessitates escalation to the relevant business committee for review and approval. Enhanced due diligence is required for clients with scores below this threshold, which may include detailed questionnaires and third-party reports. The results of this due diligence process, along with proposed ESG risk mitigation factors, are presented to the relevant business committees to determine the viability of proceeding with the transaction. Where the industry of the underlying company does not fall under the high ESG risk guideline, or where the overall ESG score exceeds the threshold, the frontline may still escalate the case to the relevant business committees if deemed necessary.

The Group did not provide direct financing to borrowers with a high ESG risk rating in the year, and did not have any such financing outstanding as of the end of the year.

8. Green and Sustainable Finance

Margin Financing

In the brokerage business, the Risk Management Department has integrated ESG factors into the assessment criteria for margin financing. When determining the lending ratio for each stock, these considerations are evaluated alongside other critical elements such as market capitalization, liquidity, volatility, and company performance. This holistic approach ensures that ESG risks are incorporated into lending decisions.

To maintain effective risk control, the Risk Management Department routinely reviews and adjusts stock lending ratios and client borrowing limits. This process enables timely identification of risks and ensures that appropriate measures are in place. In addition, the team actively modifies securities collateral ratios in response to market volatility to mitigate systemic risk within the securities market. The margin risk team integrates ESG factors and ratings into these assessments, ensuring that significant ESG risks are not overlooked in margin financing activities.

Debt Capital Market

The Group's debt capital market business offers a full suite of customized services, spanning project origination, execution, syndication, and sales for corporate clients in both Mainland China and Hong Kong.

The Group strengthened its commitment to ESG principles by establishing the "Statement on ESG Integration in Debt Capital Market Business", which clarifies its ESG strategy within this sector.

Before initiating each project, the responsible team submits a debt capital market transaction approval through the internal system, which includes an ESG valuation. Within the issuance plan, the team outlines the Group's potential capacity to deliver ESG bond services.

To ensure a comprehensive understanding of the issuer, ESG-related information is incorporated into the background assessment. This may cover details such as prior ESG initiatives, past issuances of ESG bonds, the existence of an ESG committee, and relevant ESG reports. The team also relies on second-party opinions, certifications, and verification or assurance documents provided by independent third parties. Much of this information is sourced from public channels, including company announcements for listed firms, rating reports, and online inquiries.

The Group recognizes that ESG bonds are a specific type of offshore bonds. Throughout the issuance process for ESG bonds, the Group ensures strict adherence to established overseas bond issuance procedures throughout the process, thereby upholding compliance and integrity at every stage.

Equity Capital Market

The Group underwrites IPO projects in the stock markets in Hong Kong and other jurisdictions as an underwriter and facilitates secondary market share issuances as a placement agent. The Group strengthened its commitment to ESG principles by establishing the "Statement on ESG Integration in Equity Capital Market Business", which clarifies its ESG strategy for this segment.

During the preliminary client search phase, the Group carefully considers ESG management capabilities of the clients, assessing their efforts and contributions, while actively promoting the listing of green industry enterprises in Hong Kong.

In the client acceptance phase, the underwriting team presents an overview of the client's industry to the approval committee, reporting on whether the client qualifies as a green enterprise based on its ESG risk profile and the allocation of raised funds towards energy-efficient projects. The approval committee uses this assessment to determine whether to proceed, with the sponsorship agreement signed only upon approval.

8. Green and Sustainable Finance

Once a project is approved, in the execution phase, the Group integrates ESG risk assessments into its due diligence procedures. This ensures that clients establish clear metrics and goals, implement effective risk management strategies, and continuously monitor and enhance ESG performance. The Group conducts comprehensive ESG risk and opportunity assessments of clients' businesses and value chains, identifying significant ESG issues for both enterprises and stakeholders. Based on this analysis, the Group advises clients to develop clear ESG strategies that reflect stakeholder needs and expectations.

Furthermore, the Group requires IPO projects to engage independent third-party ESG consultants to quantify ESG metrics for inclusion in prospectuses and regular disclosures. ESG due diligence covers nine key topics across ESG domains, including pollution management, resource conservation, employee welfare, and corporate governance.

The due diligence process involves the evaluation of several critical aspects:

- **Environmental and Climate Change Considerations:** The Group assesses the client's environmental friendliness through patent reviews, environmental impact assessments, and supplier interviews. This evaluation determines whether the company's business development aligns with low-carbon and environmentally sustainable principles, improves energy efficiency, and avoids the use of heavily polluting materials.
- **Social Considerations:** The Group examines whether the company provides adequate insurance for employees, effectively manages occupational health and safety incidents, and implements policies for workplace safety and health monitoring. An analysis of employee demographics is conducted to ensure robust management of safety, health, diversity, and inclusion.
- **Corporate Governance Considerations:** The Group reviews the charters and policies of various committees, internal control reports, and board diversity to verify compliance with sustainable development requirements established by regulatory authorities.

For ESG assessments of unlisted clients, the Group utilizes reference information from frameworks such as the Sustainability Accounting Standards Board (SASB) Materiality Map and the MSCI ESG Industry Materiality Map. One of the key screening criteria is to evaluate whether issuers pursue economic benefits while considering ESG factors. Companies that emphasize ESG initiatives typically achieve better resource utilization and adopt innovative management approaches. As a result, companies with strong ESG performance are prioritized as project participants.

For ESG assessments of listed clients, the Group relies on publicly available resources from reputable ESG rating agencies. Annual ESG reports and ratings of listed companies are reviewed to ensure alignment with ESG standards for sustainable business development. The Group also actively assesses the needs of companies seeking to raise capital, with a focus on their ESG commitments and long-term business strategies.

In sponsor approval meetings for listing applications, the underwriting team presents due diligence findings, including identified ESG issues, so that the approval committee can evaluate risks before proceeding.

Ongoing risk management is maintained through continuous monitoring of ESG risks and the collection of relevant information throughout the project lifecycle, enabling the Group to identify and address potential exposures promptly. In addition, the Group encourages clients to prepare and disclose ESG reports during IPO processes, providing investors and stakeholders with detailed insights into their ESG performance.

ESG Integration in Other Financial Services

In line with the Group's commitment to integrating ESG into operations, it has rolled out the following initiatives:

Wealth Management

The wealth management business is committed to promoting green and sustainable investment products. For example, the Group has incorporated ESG funds into its product classification and, when recommending funds to clients, takes ESG factors into account alongside returns, serving as an important reference for clients' decision-making. Currently, the Group's fund platform provides a total of 84 ESG fund options, of which 24 cover topics such as global climate change, water resources, carbon reduction, energy transformation, renewable energy, low-carbon transportation systems, circular economy (recycling), elderly care, healthcare, poverty eradication, zero hunger, food safety (enhancing agricultural practices, natural resource efficiency and food quality), cybersecurity (aiming to reduce GHG emissions) and AI (aiming to reduce GHG emissions). According to the results of Bloomberg ratings, 84 ESG funds have an average score of 80 points in the environmental aspect (E), 72 points in the social aspect (S), and 72 points in the governance aspect (G), which are generally in line with ESG standards.

Green Bond Pre- and Post-issuance ESG advisory

In ESG bond issuance, the team serves as an ESG advisor and engages with clients to enhance their understanding of ESG bonds and assess the feasibility of issuing them.

The Group supports issuers throughout the entire process of green and social bond issuance, including selecting suitable eligible projects, preparing required documentation, and coordinating with external reviewers for ESG bond qualification and accreditation. For instance, the Group assists clients in obtaining second-party opinions, certifications, and verification or assurance from reputable third-party organizations. In addition, the Group continuously monitors ESG bond-related risks and policy developments to provide timely insights and ensure issuers have access to more effective and resilient financing channels.

Provide ESG Education to Issuers and Investors

The Group offers sustainable finance training and advisory services to both issuers and investors, strengthening their understanding and application of ESG principles. In practice, the Group supports clients in pinpointing areas of sustainable economic development and identifying ESG features within their business operations. This not only enhances their contribution to sustainable growth but also helps attract a broader base of sustainability-focused investors. At the same time, the Group actively encourages and assists companies in issuing ESG-linked debt instruments and formulating issuance plans for eligible participants. To cater to the growing demand from global green investors, the Group also provides access to a robust portfolio of high-quality green bond assets.

8. Green and Sustainable Finance

Diversify ESG Products and Expand Industry Coverage

The Group actively explores new ESG products, such as green bonds, social bonds, blue bonds and more, to further leveraging market potential and meet evolving investor demand. The Group provides services to a diversified clientele, spanning both traditional sectors such as utilities and real estate and emerging industries including AI robotics. Beyond this established coverage, the Group is actively exploring the diversity of its customer base, positioning itself to capture opportunities across a wider spectrum of industries and client needs.

The Group remains deeply involved in market dialogue and product innovation, working closely with industry peers and professional bodies to advance sustainable finance development. The Group also continuously refines its business strategies to stay aligned with changing market trends and regulatory developments, ensuring its ESG product offerings remain forward-looking and competitive.

Cultivate Green Workforce

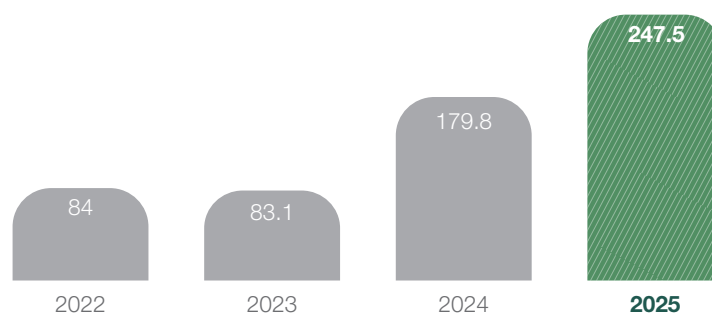
To better serve its clients, the Group provides specialized ESG bond training programs for its coverage, execution, and sales teams, enhancing their professional expertise and practical understanding. In parallel, the Group has been actively monitoring the developments in green finance policies and regulations, supporting continuing collaborations with industry and institutional partners, and promotes staff participation in various green finance initiatives. Through these efforts, the Group continues to deepen its involvement and strengthen its competitive position in the green and sustainable finance market.

8.3. Green and Sustainable Finance Performance

The Group has consistently committed to supporting the real economy through financial services while facilitating the green transformation of its corporate clients. In 2025, the Group successfully completed 93 sustainable finance projects, encompassing green bonds, sustainable bonds, and IPO projects in green and sustainable industries, totaling HK\$247.5 billion in issuance. Additionally, the private equity sector remained highly engaged in ESG and sustainable industries, with over 30% of its investments focused on ESG-related sectors.

	2025 (HK\$ billion)
Total investments that employ ESG Integration within an investment analysis and decision-making process	26.54
Total investments that are classified as Green or Sustainable Investments (includes active and passive investments)	2.51

Total Issuance Scale of Sustainable Finance Business*
(HK\$ billion)



*Refers to corporate finance services under debt capital market and equity capital market business

About the Report

This ESG report provides stakeholders with information regarding the efforts made by the Group to improve its management and performance on ESG issues and advance to a more sustainable future. Both the ESG Committee and the Board have reviewed and approved this report. This report is available on the websites of the Company and the Stock Exchange.

Reporting Basis and Principles

This report has fully complied with the mandatory disclosure requirements and the “comply or explain” provisions of the ESG Reporting Code and based on four fundamental reporting principles set out in the ESG Reporting Code as follows:

Reporting Principles	Application in the Preparation of this Report
Materiality	The Group conducted a comprehensive stakeholder survey in 2025 to identify the most significant ESG issues. The survey engaged both internal and external stakeholders and the issues of the most significance to both the Group’s business and stakeholders have been identified as material ESG issues. The Group focuses on these material issues in this report and ensures sufficient disclosure of the related information.
Quantitative	The Group discloses KPIs in quantitative terms whenever possible and clarifies the standards, methodologies, assumptions, and/or calculation tools used, and source of conversion factors used in this report for a thorough evaluation of the effectiveness of its ESG policies and management.
Balance	This report aims to provide stakeholders with an unbiased picture of the Group’s sustainability performance by sticking to a high standard of integrity and transparency.
Consistency	Unless stated otherwise, the methods and KPIs used, or any other relevant factors in this report remain consistent with the historical disclosures to allow a meaningful comparison of the Group’s ESG performance over time.

Besides, IFRS S2, UNSDGs, GHG Protocol, and the ten principles of the UN Global Compact have also been referred to during the preparation of this report.

Reporting Scope and Period

This report covers the Group’s major operations in Hong Kong, Macao and Singapore, where the Company has operational control due to the ability to take full ownership of all GHG emissions we can directly influence and reduce.

The Reporting Period is from 1 January 2025 to 31 December 2025. Similar to previous years, this report focuses on the Group’s core businesses in wealth management, institutional investor services, corporate finance services and investment management. In order to enhance the integrity of this report, certain information may be disclosed up to 25 March 2026, being the date of this ESG report, as appropriate.

About the Report

Feedback

The Group highly values the opinions and feedback of various stakeholders and is committed to continuously improving its ESG management and performance, as well as optimizing the level of ESG information disclosure. Should there be any suggestions or opinions, please contact us in the following ways:

Department: Office of the Board

Telephone: 2509-9118

Email: esg@gtjas.com.hk

Mailing address: 27/F, Low Block, Grand Millennium Plaza, No. 181 Queen's Road Central, Hong Kong

Glossary

In this report, unless the context requires otherwise, the following expressions have the following meanings:

AI • artificial intelligence

ABC • anti-bribery and corruption

AML • anti-money laundering

BCP(s) • business continuity plan(s)

Board • the board of directors of the Company

CCO • the chief compliance officer of the Group

CDD • customer due diligence

CEO • the chief executive officer of the Group

CFT • counter-financing of terrorism

Company or **Guotai Junan International** • Guotai Junan International Holdings Limited, incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1788.HK)

Company Secretary • the company secretary of the Company

CRO • the chief risk officer of the Group

Director(s) • the director(s) of the Company

ESG • environmental, social and governance

ESG Reporting Code • the ESG Reporting Code set out in Appendix C2 of the Listing Rules

GHG • greenhouse gas

GHG Protocol • a global standardized frameworks to measure and manage GHG emissions

Greater Bay Area • Guangdong-Hong Kong-Macao Greater Bay Area

Group • the Company together with its subsidiaries from time to time

GTHT or **parent company** • Guotai Haitong Securities Co., Ltd. (formerly known as Guotai Junan Securities Co., Ltd.), a joint stock limited company incorporated in the PRC with limited liability, whose A-shares are listed on the Shanghai Stock Exchange (stock code: 601211.SH) and H-shares are listed on the Main Board of the Stock Exchange (stock code: 2611.HK), and the ultimate controlling shareholder of the Company

Hong Kong • The Hong Kong Special Administrative Region of the PRC

HKQAA • Hong Kong Quality Assurance Agency

HK\$ • Hong Kong dollars, the lawful currency of Hong Kong

IFRS S2 • International Financial Reporting Standards S2 – Climate-related Disclosures

INED • independent non-executive Director

IPCC • Intergovernmental Panel on Climate Change

IPO(s) • initial public offering(s)

IT • information technology

Junhong Global • a mobile application for trading and investment of the Company

KPI(s) • key performance indicator(s)

LED • light-emitting diode

Listing Rules • the Rules Governing the Listing of Securities on the Stock Exchange

Macao • The Special Administrative Region of Macao of the PRC

Mainland China • the PRC, for the purpose of this report, does not include Hong Kong, Macao and Taiwan

MSCI • Morgan Stanley Capital International, a global provider of equity indices, risk management tools, and ESG research

Glossary

NGFS • Network for Central Banks and Supervisors for Greening the Financial System

PRC or **China** • The People's Republic of China

PRI • The Principles for Responsible Investment

RCP • Representative Concentration Pathway

Reporting Period • for the year ended 31 December 2025

senior management • has the same meaning as defined in the Listing Rules

SFC • the Securities and Futures Commission

SFO • the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

SMS • short message service

SSP • Shared Socioeconomic Pathways

Stock Exchange • The Stock Exchange of Hong Kong Limited

UN Global Compact • The United Nations Global Compact

UNSDGs • The United Nations Sustainable Development Goals

US\$ or **USD** • United States Dollars, being the lawful currency of the United States

VDI • virtual desktop infrastructure

VM(s) • virtual machine(s)

VPN • virtual private network

YOY • year on year

% • per cent

Appendix 1: The Stock Exchange’s ESG Reporting Code Content Index

Mandatory Disclosure Requirements			
Item	Description	Relevant Section and Remarks	
Governance Structure	A statement from the board containing the following elements:	5.2. ESG Governance Structure 7.2.1. Climate-related Governance	
	(i) a disclosure of the board’s oversight of ESG issues;		
	(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer’s businesses); and		
	(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.		
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	Reporting Basis and Principles	
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope and Period	
“Comply or explain” Provisions			
General Disclosures and KPIs	Description	Relevant Section and Remarks	
A. Environment			
Aspect A1: Emissions			
General Disclosure	Information on:	7.1. Environmental Targets 7.3. Green Office and Operation 7.4. Environmental Performance Table	
	(a) the policies; and		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer		
	relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		
	KPI A1.1		The types of emissions and respective emissions data.
	KPI A1.2		[Repealed 1 January 2025]
	KPI A1.3		Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	KPI A1.4		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.		
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.		

Appendix 1: The Stock Exchange's ESG Reporting Code Content Index

"Comply or explain" Provisions		
General Disclosures and KPIs	Description	Relevant Section and Remarks
A. Environment		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	7.1. Environmental Targets
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.3. Green Office and Operation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7.4. Environmental Performance Table
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the Group's business nature, the total packaging material usage is not applicable.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.3. Green Office and Operation
Aspect A4: Climate Change [Repealed 1 January 2025]		
KPI A4.1	[Repealed 1 January 2025]	
B. Social		
Employment and Labor Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.2.1. Diversity, Equity, and Inclusion
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.2.3. Employee Health and Wellbeing
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	

Appendix 1: The Stock Exchange’s ESG Reporting Code Content Index

“Comply or explain” Provisions		
<i>General Disclosures and KPIs</i>	<i>Description</i>	<i>Relevant Section and Remarks</i>
B. Social		
Employment and Labor Practices		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	6.2.4. Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	6.2.2. Employment Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.3. Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	6.1.1. Digital Transformation to Safeguard Services and Products Responsibility 6.1.2. Services and Products Integrity 6.1.4. Customer Relationship Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Due to the Group’s business nature, issues related to products sold or shipped subject to recalls for safety and health reasons are not applicable.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B6.4	Description of quality assurance process and recall procedures.	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	

Appendix 1: The Stock Exchange's ESG Reporting Code Content Index

"Comply or explain" Provisions		
<i>General Disclosures and KPIs</i>	<i>Description</i>	<i>Relevant Section and Remarks</i>
B. Social		
Employment and Labor Practices		
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.4. Business Ethics No concluded legal cases regarding corrupt practices were brought against the issuer or its employees during the Reporting Period.
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.4. Community Investment and Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	

Appendix 1: The Stock Exchange’s ESG Reporting Code Content Index

Climate-related Disclosures		
Item	Description	Relevant Section and Remarks
(I) Governance		
19. An issuer shall disclose information about:		
(a)	<p>the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <ul style="list-style-type: none"> (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer’s strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and 	7.2.1. Climate-related Governance
(b)	<p>management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <ul style="list-style-type: none"> (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. 	

Appendix 1: The Stock Exchange's ESG Reporting Code Content Index

Climate-related Disclosures		
Item	Description	Relevant Section and Remarks
(II) Strategy		
Climate-related risks and opportunities		
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:		
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	7.2.2. Climate-related Strategy
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d)	explain how the issuer defines 'short term', medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain		
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:		
(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	7.2.2. Climate-related Strategy
(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	
Strategy and decision-making		
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:		
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: <ul style="list-style-type: none"> (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any GHG emissions targets (if any)), described in accordance with paragraphs 37 to 40; and 	7.2.2. Climate-related Strategy 7.2.3. Climate-related Risk Management 7.2.4. Climate-related Metrics and Targets 7.3. Green Office and Operation
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	7.2.2. Climate-related Strategy
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).		

Appendix 1: The Stock Exchange’s ESG Reporting Code Content Index

Climate-related Disclosures		
Item	Description	Relevant Section and Remarks
Financial position, financial performance and cash flows		
Current financial effect		
24. An issuer shall disclose qualitative and quantitative information about:		
(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	7.2.2. Climate-related Strategy
(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
Anticipated financial effect		
25. The issuer shall provide qualitative and quantitative disclosures about:		
(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	Due to challenges and resource limitation in quantifying a reliable and meaningful anticipated financial effects, the Company has applied the relief and will not provide such disclosures in this report.
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
Climate resilience		
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:		
(a)	the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and (iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	7.2.3. Climate-related Risk Management 7.2.2. Climate-related Strategy
(b)	how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	7.2.2. Climate-related Strategy

Appendix 1: The Stock Exchange's ESG Reporting Code Content Index

Climate-related Disclosures		
Item	Description	Relevant Section and Remarks
(III) Risk Management		
27. An issuer shall disclose information about:		
(a)	<p>the processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks, including information about:</p> <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritizes climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; 	5.3.1. Risk Management Policies and Procedures 7.2.2. Climate-related Strategy 7.2.3. Climate-related Risk Management
(b)	the processes the issuer uses to identify, assess, prioritize and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c)	the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	5.3.1. Risk Management Policies and Procedures 7.2.3. Climate-related Risk Management
(IV) Metrics and Targets		
Greenhouse gas emissions		
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:		
(a)	Scope 1 greenhouse gas emissions;	7.4. Environmental Performance Table
(b)	Scope 2 greenhouse gas emissions; and	
(c)	Scope 3 greenhouse gas emissions.	

Appendix 1: The Stock Exchange’s ESG Reporting Code Content Index

Climate-related Disclosures		
Item	Description	Relevant Section and Remarks
29. An issuer shall:		
(a)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	7.4. Environmental Performance Table
(b)	disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; 	Reporting Scope and Period
(c)	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and	7.4. Environmental Performance Table
(d)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
Climate-related transition risks		
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.		Due to challenges and resource limitation in conducting a reliable and meaningful analysis on the amount and percentage of assets or business activities vulnerable to climate-related transition risks, the Company has applied the relief and will not provide such disclosures in this report.

Appendix 1: The Stock Exchange's ESG Reporting Code Content Index

Climate-related Disclosures		
Item	Description	Relevant Section and Remarks
Climate-related physical risks		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Due to challenges and resource limitation in conducting a reliable and meaningful analysis on the amount and percentage of assets or business activities vulnerable to climate-related physical risks, the Company has applied the relief and will not provide such disclosures in this report.
Climate-related opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Due to challenges and resource limitation in conducting a reliable and meaningful analysis on the amount and percentage of assets or business activities aligned with climate-related opportunities, the Company has applied the relief and will not provide such disclosures in this report.
Capital deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	8.3. Green and Sustainable Performance
Internal carbon prices		
34. An issuer shall disclose:		
(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	The Group has not yet factored a carbon price into our decision-making processes. It will explore the feasibility of establishing an internal carbon pricing mechanism where appropriate.
(b)	the price of each metric ton of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.		

Appendix 1: The Stock Exchange's ESG Reporting Code Content Index

Climate-related Disclosures		
Item	Description	Relevant Section and Remarks
Remuneration		
35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	7.2.1. Climate-related Governance The Group has incorporated climate-related metrics into the appraisal of the CEO. Moving forward, the Group will continue to explore the feasibility to factor climate-related considerations into other executives' remunerations.
Industry-based metrics		
36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	7.4. Environmental Performance Table 8.3. Green and Sustainable Finance Performance
Climate-related targets		
37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a)	the metric used to set the target;	7.1. Environmental Targets
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d)	the period over which the target applies;	
(e)	the base period from which progress is measured;	
(f)	milestones or interim targets (if any);	
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

Appendix 1: The Stock Exchange's ESG Reporting Code Content Index

Climate-related Disclosures		
Item	Description	Relevant Section and Remarks
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		
(a)	whether the target and the methodology for setting the target has been validated by a third party;	The targets have not yet been validated by a third party. 5.2. ESG Governance Structure
(b)	the issuer's processes for reviewing the target;	
(c)	the metrics used to monitor progress towards reaching the target; and	
(d)	any revisions to the target and an explanation for those revisions.	
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.		
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:		
(a)	which greenhouse gases are covered by the target;	7.1. Environmental Targets
(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	The GHG target is a net target.
(d)	whether the target was derived using a sectoral decarbonization approach; and	The GHG target was not derived using a sectoral decarbonization approach.
(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 	7.3. Green Office and Operation
Applicability of cross-industry metrics and industry-based metrics		
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider (i) the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).		
		7.4. Environmental Performance Table 8.3. Green and Sustainable Finance Performance

Appendix 2: Ten Principles of the UN Global Compact

Principles	Relevant Section
Human Rights	
1. Business should support and respect the protection of internationally proclaimed human rights; and	6.2.2. Employment Management 6.2.3. Employee Health and Wellbeing 6.3. Sustainable Supply Chain 6.4. Community Investment and Engagement
2. make sure that they are not complicit in human rights abuses.	
Labour	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	6.2.2. Employment Management
4. the elimination of all forms of forced and compulsory labour;	
5. the effective abolition of child labour; and	
6. the elimination of discrimination in respect of employment and occupation.	
Environment	
7. Business should support a precautionary approach to environmental challenges;	7.2. Tackling Climate Change 7.3. Green Office and Operation
8. undertake initiatives to promote greater environmental responsibility; and	
9. encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	5.4. Business Ethics

Independent Limited Assurance Report



香港品質保證局

To the Management of Guotai Junan International Holdings Limited

1. Limited Assurance Conclusion

Hong Kong Quality Assurance Agency (“HKQAA”, “we”, “our”, “us”) was engaged by Guotai Junan International Holdings Limited (“the Company”) to conduct an independent limited assurance engagement on the sustainability disclosures (“Sustainability Disclosures”) presented in its 2025 Environmental, Social and Governance Report (“the Report”) for the reporting period from 1 January 2025 to 31 December 2025 (“Reporting Period”) and issue this Independent Assurance Report (“Assurance Report”).

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions set out in Appendix A, nothing has come to our attention that causes us to believe that the Sustainability Disclosures are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code.

2. Engagement Overview

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

The Environmental, Social and Governance Reporting Code (“ESG Reporting Code”) set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company’s internal use only. For reference, a generic version of Appendix A (which sets out the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities, and independence applicable to this engagement) is publicly available on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

3. Basis for Conclusion

HKQAA’s assurance procedure was conducted in accordance with the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements (“ISSA 5000”), issued by the International Auditing and Assurance Standards Board (“IAASB”).

A limited assurance engagement involves performing procedures that vary in nature and extent from those performed for a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than that obtained in a reasonable assurance engagement.

In conducting this engagement, we confirm our independence from the Company. The engagement team performed the engagement in accordance with the HKQAA Code of Conduct. Based on the procedures performed and the evidence obtained, we consider the evidence sufficient and appropriate to form a basis for our conclusion.

4. Responsibilities for the Sustainability Disclosures

The Company's management is responsible for the preparation of the Sustainability Disclosures in accordance with the applicable reporting criteria, and for designing, implementing and maintaining such internal controls as it determines necessary to enable the preparation of Sustainability Disclosures that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

5. Responsibilities of the Engagement Team

Our responsibility is to plan and perform this engagement to obtain limited assurance about whether the Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue this Assurance Report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the decisions of users taken on the basis of the Sustainability Disclosures.

As part of this engagement, we exercise professional judgment and maintain professional skepticism, perform risk assessment procedures including obtaining an understanding of relevant internal controls (but not for the purpose of providing a conclusion on their effectiveness), and design and perform procedures responsive to assessed risks. As fraud is inherently more difficult to detect than unintentional error, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

6. Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgment, including the assessed risks of material misstatement, whether due to fraud or error.

Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

Independent Limited Assurance Report

This Assurance Report is made solely for the use of Guotai Junan International Holdings Limited and the users of its 2025 Environmental, Social and Governance Report, and for use in accordance with the reporting criteria stated in Section 2 of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come.

The engagement leader on the assurance engagement resulting in this Assurance Report is K T Ting.

Signed on behalf of Hong Kong Quality Assurance Agency



Hong Kong, PRC
21 April 2026
Ref: 14992979

Independent Limited Assurance Report – List of Appendices:

Appendix A	Assumptions, dependencies, boundaries, limitations, exclusions, scope of roles and responsibilities and independence
Appendix B	Reporting Principles (For internal reference only)
Appendix C	Recommendations (For internal reference only)



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