

Haitong International Annual Investor Conference 2021 Officially Commenced Decoding Opportunities Brought by ESG and Carbon Neutrality

Hong Kong, 15 June, 2021 – Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK) today commenced its Haitong International Annual Investor Conference 2021 (“the Conference”) at The Ritz-Carlton Shanghai, Pudong. The three-day Conference is open for both physical and virtual participation, and has brought together industry experts, thought leaders and corporate representatives to speak on three major topics including ESG and Carbon Neutrality, Innovative Medicine, and Consumption and Internet, with market outlook for 2H 2021 also covered. In addition, the Conference also facilitates various 1-on-1 and group meetings for corporates and investors.

With “ESG and Carbon Neutrality” as the theme for the first day, the Conference has attracted various corporate representatives, investors and authorities from both China onshore and offshore to attend both physically and virtually. At the keynote speeches on the first day of the Conference, guest speakers have facilitated discussions and presented on multiple topics including Carbon Neutrality and Sustainable Development, Green Finance, Industry Innovations, Carbon Trading Platform and Carbon Capture and Commercialization etc.

Weihua MA, Member of the UNDP SDG Impact Steering Group, President of Council, National Fund for Technology Transfer and Commercialization, Chairman of the Board of Directors of China Global Philanthropy Institute (CGPI) and CEO of SusaliWave, delivered a keynote speech on the new opportunities in sustainable development brought by the Carbon Neutrality target. Through introducing the UNSDGs (Sustainable Development Goals), Ma has pointed out that Carbon Neutrality is a key component in achieving UNSDGs. To facilitate the realization of Carbon Neutrality, the “Inclusivity and Fairness” concepts from sustainable development must be infused into the Carbon Neutrality plan. This requires national governments to design reasonable public policies with proper guidance, allocate necessary capital and resources, and leverage the power of technology to facilitate Carbon Auditing, Carbon Reduction and Carbon Tracking procedures etc., as well as the development and application of various Carbon-related products.

On the role of Green Finance in contributing towards the Carbon Neutrality goal, **Jun MA, Chairman of Green Finance Committee of China Society for Finance and Banking, Co-chair of G20 Green Finance Study Group and President of Beijing Institute of Finance and Sustainability**, spoke on the topic of “Macroeconomy, Carbon Neutrality and Green Finance”. Ma pointed out that underlying investment opportunities brought by the Carbon Neutrality goal are tremendous. For example, according to the four scenarios suggested by the “China’s Long-Term Low-Carbon Development Strategies and Pathways” report published by the Institute of Climate Change and Sustainable Development (ICCS) of Tsinghua University, a total of RMB 138 trillion in new investment capital is required to achieve the 1.5°C target transition path, which

exceeds 2.5% of the annual GDP. According to the research by The Investment Association of China (IAC) and Rocky Mountain Institute (RMI), a total of RMB 70 trillion of investments is required to facilitate China's technological development in seven fields under the Carbon Neutrality target including renewable energy, energy efficiency, zero-carbon and energy storage etc. Based on these estimations, in the coming three decades, the Green and Low-carbon investments required for China to achieve Carbon Neutrality will be around a few hundred trillion yuan.

Huge amount of Green and low-carbon investments is needed to achieve Carbon Neutrality, in which a large part will come from the social capital brought in by the financial system. As such, robust green financing policies will have to be established, including setting standards and definitions of Green Finance, requirements for climate-related information disclosure, supporting financial institutions to introduce environmental/climate risk analysis, and strengthening incentive schemes for low-carbon investments and financing etc.

Bin LIU, Former Negotiator of the Chinese Delegation in the UNFCCC and Professor & Doctoral Supervisor, Deputy Director of Institute of Energy, Environment and Economy in Tsinghua University, delivered his speech on the challenges and opportunities brought by the Carbon Neutrality vision. He pointed out that climate change will be a major field for competition and collaboration between nations post-pandemic, and having cutting-edge technology in decarbonization will be a core competency for nations. For corporates, the decarbonization revolution will fundamentally change the development scenes for corporates and the sectors, hence affecting how corporates compete against each other and the core competencies required. While there are new challenges, Liu also stated that the Carbon Neutrality target will also introduce three major development opportunities, namely Technological Innovations, Business Model Innovations and Financing Instruments Innovations.

In the "Building an Emission Reduction Platform for All" keynote speech delivered by **Dongmei JIANG, Chief Scientist of China Carbon Neutral Development Group Limited, Postdoctoral Researcher at the School of Environment, Tsinghua University and Postdoctoral Researcher at the Institute of Nuclear and New Energy Technology, Tsinghua University**, she stated that the Carbon Neutrality goal of China embodies huge ambition and commitment, yet the limited time also implies potential pressure. China has already introduced its "Measures for the Administration of Carbon Emissions Trading (for Trial Implementation)", and the nationwide carbon trading market has been launched on 15 June. Nevertheless, corporates which voluntarily reduce emissions are still facing challenges in international carbon trading. Jiang suggested that there is an urgency to build an Emission Reduction Platform which all citizens can participate, which will then assist the corporates to capture revenue from carbon credits trading.

Xi CHEN, Tenured Professor in the Department of Earth and Environmental Engineering at Columbia University, presented on the topic of Carbon Capture and Utilization. He emphasized that Carbon Neutrality is driven by the innovation in technology. According to the report published by International Energy Agency

(IEA), 50% of the key technologies which will help achieve net-zero emissions by 2050 are still undergoing the demo or prototype stages. Compared to engineered carbon reduction, engineered carbon sink (absorption) - Carbon Capture, Utilization, and Storage (CCUS) are even more crucial. Using engineered means to manipulate and control carbon cycle can be separated in two directions – Carbon Capture and Carbon Utilization. Specifically, distributed technology and commercialization paths can connect the technological advancement and application scenarios of multiple industries including construction, agriculture, chemicals, energy and healthcare etc., and capture CO₂ emissions from various sources and channels. By doing so, new opportunities are brought to the industries through transforming CO₂ from waste to valuable asset.

Haitong International is the first Hong Kong financial institution which publicized its commitment to achieve Carbon Neutrality by 2025. Haitong International strives to instill its ESG philosophy in the various areas where the company operates and implement Impact Investment by leveraging on its unique capital intermediary role of investment, financing, consultancy and research. In 2021, MSCI has upgraded Haitong International's ESG Rating to "A", which is a top rating among financial institutions.

Alongside the forums, the Conference also facilitated multiple closed-door small group and one-on-one roadshows for leading corporates in the ESG, clean energy sectors to communicate with investors, which testifies Haitong International's rich resources and network in sustainable finance field and the professional capabilities to provide bespoke solutions for clients.

On 16 and 17 June, the Haitong International Investor Conference 2021 will focus on two major themes respectively, namely Innovative Medicine and Consumption & Internet. Renowned sector analysts from Haitong International, as well as the executives from listed companies including Hengrui Medicine, I-Mab Biopharma, Waterdrop and Zhihu etc. will take the stage and share insights in the sectors. For the latest agenda and attending corporates list of the Conference, please visit:

<http://htisec.com/en-us/investorconference2021>

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