

Drawing Positive Energy

for greater
harmony in society

Corporate Social Responsibility should not merely be focused on material goal or money, but should be expressed in different kind of charitable activities that give a sense of positivity and Lifestyle of Health & Sustainability (LOHAS).



Corporate Social Responsibility Report



Haitong International has put its root down in Hong Kong and been striving for business growth and at the same time shouldering its corporate social responsibility to make contribution to the community as a good corporate citizen over past 20 years.

To live up to its good corporate citizenship, Haitong International has been placing emphasis on its customers, employees, shareholders and investors over years. In 2014, Haitong International Charitable Foundation was founded for the purpose of earmarking its resources with a strategic perspective to better discharge its corporate social citizen responsibility.

As a token of appreciation for its commitment to caring for the well-being of the community, the Group has been recognized as a "Caring Company" by The Hong Kong Council of Social Service since 2004 for over 10 years straight. Since 2015, the "Haitong International Charitable Foundation" has also received the "Caring Organization" logo.

CUSTOMERS

Haitong International strives to keep up with the ever-quickening pace of change in the marketplace. The Company is dedicated to the development of innovative financial products and services in response to the specific needs of global and local customers. Also, it has established a long-term and trusted relationship and always endeavours to provide comprehensive financial products and services to global and local corporate, institutional as well as individual investors.

To keep abreast with the Shanghai-Hong Kong Stock Connect launched in November 2014 and the Shenzhen-Hong Kong Stock Connect launched in December 2016, Haitong International pays constant attention to both software and hardware of trading and settlement system so as to cater to demands for new investment opportunities of its clients. To be in line with and cope with the promotion of the Stock Connects, we tailored-made training on A-share trading policies, regulations and industry outlook for all front, middle and back office employee on an

Corporate Social Responsibility Report (continued)

ongoing basis. Moreover, we organized investment seminars and forums for retail and institutional clients and heightened communications. Its preeminent research team provides over 1,500 institutional investors with research reports on about 500 listed companies in over 30 sectors in 9 languages. In addition, the Company also augments its cooperation and sharing of research reports with the parent company, Haitong Securities. A range of comprehensive services has also been put in place to support customers on A-share investments

Haitong International always sees communication with its client as an important task. In 2016, it launched a reengineered website with brand new layouts for which its business lines are clearly delineated. Not only does the new website underscore its corporate image, but it also streamlines the list of items for better view and instant access to Haitong International's latest information. At the same time, the Company has also registered business accounts on a number of social networking platforms including Wechat, Weibo, Facebook and Twitter with information updated from time to time. To fulfill customers' appetite for information, the Group has launched a Facebook Fan-page named "Investment Strategy – Haitong International" and a Wechat public platform providing instant market information and investment strategy to customers on each trading day, aiming to help customers to refine their investment strategy.

Customers' opinions and feedbacks are instrumental to our corporate development. To fully gauge our customer experiences, Haitong International is conducting quarterly customer satisfaction and opinion survey, with an objective to enhance service quality. Haitong International strictly adheres to the procedures of risk management and internal control. Therefore a series of training sessions has been provided to front, middle and back office staff year round to ensure that product specifications, service terms and internal procedures are in compliance with laws and regulations. Customers are therefore kept fully informed of the features and risk exposure of an investment before they make their decision.

The revamped website adopts Responsive Web Design, providing user friendly browsing experience



Corporate Social Responsibility Report (continued)

EMPLOYEES

Haitong International always cares about the mental and physical well-being of its employees and advocates a work-life balance. Therefore continuous efforts have been put to improve staff welfare. The "Haitong International Staff Club" regularly organizes recreational activities for its staff and their family members including bowling competition, basketball matches and interest classes. Through those activities, the Company aims to relieve stress of staff and to encourage interactions amongst departmental colleagues. The Company launched the "Employee Assistance Program" for its staff, with the aim of promoting both the physical and mental well-being of staff by engaging external professionals to provide them with information and guidance on work/life issues as well as family counselling services. Besides, Haitong International continued to help its staff through the dedicated "Staff Care Fund". The fund offers immediate support to staff suffering from serious financial or livelihood problems to help them weather adversity.

Haitong International also encourages its staff to pursue further studies and qualifications to seek self-development in professional fields. In 2016, the Group hosted over 70 internal training sessions covering topics such as the global investment market, A-share market, new financial products and regulations, and granted training sponsorship to ensure staff's compliance with the continuous professional training requirements for licensed persons as stipulated by the Securities and Futures Commission, and the continuous professional development requirements for insurance and MPF intermediaries and for registration with the Chinese Gold and Silver Exchange Society. Haitong International continued to support employees in obtaining finance-related professional qualifications by providing study leaves and examination leaves to let them prepare well for the professional examinations. As an encouragement to achieve professionalism, Haitong International has set up an incentive mechanism by granting cash bonus to staff members for acquisition of job-related professional qualifications. Moreover, internal training on compliance was arranged for staff to enrich their industry knowledge and enhance their awareness on the latest developments of the internal compliance policy.

To develop the bench strength for the Group, a "Management Trainee Scheme" has been launched since 2008 with which outstanding graduates with potential are recruited and provided with one year training with job rotation.

1. Haitong International hosted over 70 internal training sessions in the year
2. "Haitong International Staff Club" regularly organizes recreational activities for its staff, building up strong relationship between departmental colleagues
3. Haitong International organized investment seminars to educate retail investors on market trends and financial products
4. Haitong International maintains close communications and exchanges with analysts and investors through regular meetings
5. The Senior Management attended financial results announcement press conference



Corporate Social Responsibility Report (continued)

SHAREHOLDERS AND INVESTORS

During the year, Haitong International attached emphasis to fostering relationships with investors. The Company organized press conferences as well as analyst meetings for the interim and final results announcement, whilst at the same time took active part in the investor conferences organized by sizable financial institutions. Haitong International maintained close ties with about 300 institutional investors and analysts around the globe through non-deal roadshows and one-on-one meetings held in various domestic and overseas regions. These communicative channels help investors to have thorough understanding of the Group's operations, financial position and business development. Besides, there are always follow-ups and analysis on investors' feedbacks such that investor reports are subsequently produced for management's reference.

In 2015, Haitong International was included in the Hang Seng Composite LargeCap & MidCap Index. Haitong International's shares were accepted to be traded in Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in 2015 and 2016 respectively, reinforcing its accessibility to a variety of investors and liquidity of its shares to expand its investor base in an efficient fashion. In 2016, a total of 16 research reports on Haitong International were released by 5 financial institutions, amongst them 2 were initial coverage reports. The Group also hosted annual general meeting to enhance communications between shareholders and the management. All announcements and press releases issued by the Group are uploaded to its own website timely so that investors and shareholders can refer to the information anytime. Furthermore, Haitong International also maintains a Facebook Fan-page as well as a public forum in Twitter and

Wechat to keep investors and analysts posted on the latest company announcements. Apart from maintaining close communications and exchanges with shareholders, investors and industry analysts, Haitong International also places high importance to educating investors about the Hong Kong financial market. Great efforts have been spent to assist retail investors in gaining an insight into the latest investment market trends and types of financial products. Upholding the "multi-market, multi-

channel and multi-level" approach for proactive investor education, the Group has been teaming up with investment experts within and outside the Group to organize regular investment seminars, workshops and discussion forums to raise the financial product awareness and investment knowledge of local investors.



Corporate Social Responsibility Report (continued)

COMMUNITY

“Care for the Elderly, Care for the Brain” Project

Dr. Lin Yong, Deputy Chairman and Managing Director of the Company, holding the philosophy of “giving hopes to the people in need”, he initiated to found the Haitong International Charitable Foundation in 2014. He opines that corporate social responsibility should not be confined to donations only, but should be expressed in different kinds of charitable activities that give a sense of positivity and joie de vivre. To this end, Haitong International Charitable Foundation has been seeking partnership with organizations of like mind for years for long-term and sustainable charitable projects.

In 2016, Haitong International Charitable Foundation worked in harness with the Helping Hand to unveil the “Haitong International “Care for the Elderly, Care for the Brain” Project”, a starting point of a long-term charity journey of the Company. It is envisaged to offer activities in form of horticulture, music and arts, as a part of therapy, to over 500 senior citizens en masse from 5 elderly homes of Helping Hand in hopes of improving their emotions and cognitive impairment. A wealth of interest classes is hosted to help them expand their social circles and sharpen their cognitive ability for more meaningful and convivial twilight years.

VOLUNTEERISM

Apart from monetary support, the staff members of Haitong International also participated in various charitable activities. In July 2016, Dr. Lin Yong set an example by attending the inaugural “Healing Garden workshop” run by “Care for the Elderly, Care for the Brain” project with Haitong International’s caring ambassadors. During the event, Dr. Lin and the



Corporate Social Responsibility Report (continued)

volunteers, offering themselves as staunch helpers, assisted the elderly in sowing and watering in a congenial atmosphere which could build up the health and cognitive ability of the social members advanced in years. More importantly, interactions and care reciprocated yesterday's social contributors with a time of bliss and reassurance.

In December, the caring ambassadors of Haitong International organized a charity hike for the first time to let our staff members to lay back and at the same time raise proceeds for charity purpose. Haitong International Charitable Foundation also arranged 1 to 1 matching for donation for the beneficiary organizations of Operation Santa Claus as a token of love to society.

By using Haitong International Charitable Foundation as a vehicle, the Company supported a number of non-profit making organizations as always. In 2016, the Company served as a major sponsor for "MBA Challenge" of Operation Santa Claus and supported the "Helping Hand Health Bank Cookie Campaign 2017", "YO! Dance it up" held by Youth Outreach, the Community Chest's "Dress Causal Day" and "Oxfam Rice Event".

6-8. "Haitong International Caring Ambassadors" participated in "Care for the Elderly, Care for the Brain Project"

9. Haitong International organized a Charity Hike to raise fund for the "Operation Santa Claus"



Corporate Social Responsibility Report (continued)

PROMOTION OF FINANCIAL INDUSTRY

The members of the board of directors and senior management of Haitong International possess profound experience in the financial industry and have been serving as speakers in the seminars and forums held by a number of professional groups, chambers of commerce, financial institutions and media in hopes of advocating industry standards and promoting development of financial products. Since 2014, Haitong International has been joining The Better Hong Kong Foundation as a corporate member with an aim to promoting economic and social developments of Hong Kong to the overseas regions, delivering positive messages and fostering communication among Hong Kong, China and countries around the world with better cooperation. Dr. Lin Yong, Deputy Chairman and Managing Director of Haitong International, together with other management members, has been actively taking part in various activities organized by the Better Hong Kong Foundation. During which, the Company exchanges, shares and discusses topics revolving around economic and financial in Hong Kong with regulatory bodies and leading financial institutions, and gives advice and recommendations in a bid to improve Hong Kong and its financial industry's image in the international arena.



Haitong International has become a member of “The Better Hong Kong Foundation” since 2014, striving to update the international community on the latest development of Hong Kong’s economy and community

TIE-UPS WITH SOCIAL ENTERPRISES

As civic consciousness is amounting around the globe, many social issues cannot be solved by government policies alone. Social enterprises can address to some tricky social problems by business modus operandi and make contribution to society and economy.



SE gift certificate

We are of conviction that large enterprises-social enterprises cooperation is inevitably the product of the times. Haitong International Charitable Foundation Limited will cooperate with social enterprises more in the future. As a starter, we have purchased office supplies from social enterprises during the course of our day-to-day operation. For example, we purchased coupons from the Hong Kong Council of Social Service and gave our staff as gifts. Those SE gift certificates are applicable to over 70 given social enterprises or Fairtrade Shops. Though this, the Company hopes its staff members to have a better understanding of social enterprises when they shop. What is more, it is meaningful to convert this spending power into contribution to society. In addition, social enterprises are included in our list of suppliers as our support to these charitable companies.

Corporate Social Responsibility Report (continued)

ENVIRONMENTAL PROTECTION

In 2016, the Company participated in an electronic products recycling programme organized by “Caritas Computer Workshop” by donating its used computers to the charity group for recycling and renewing. Since 2013, the annual reports have been printed on recycled paper, displaying the Group’s environmentally-astute attitude from every detail. As recognition of its waste reduction efforts and concerns, the Environmental Campaign Committee, through Hong Kong Awards for Environmental Excellence co-organized with the Environmental Protection Department, granted Haitong International the Wastewi\$e Label in Class of Excellence.

From 1 January 2016 onwards, all listed companies should present reports in accordance with the Environmental, Social and Governance Reporting Guidelines issued by the Hong Kong Exchanges and Clearing Limited (the “HKEx”). Haitong International has prepared its Environmental, Social and Governance Report for 2016 in accordance with the guidance. The report that contains the company’s environmental protection policy will be published in 2017.



“Class of Excellence” Wastewise Label

減廢證書

Wastewi\$e
— Certificate —

