

Sustainable to

Braving the Wind and Waves

Starting from 2017, we're fully committed to supporting the development of the Hong Kong windsurfing squad and practice our corporate value of innovation, courage and sincerity through the sponsorship.



Corporate Social Responsibility Report



To live up to its good corporate citizenship, Haitong International has been placing emphasis on its customers, employees, shareholders and investors over the years. In 2014, Haitong International Charitable Foundation was founded to implement sustainable social responsibility projects more strategically by developing charitable projects with similar brand value and philosophy, while at the same time promoting the financial development enthusiastically.

As a token of appreciation for its commitment to caring for the well-being of the community, the Company has been recognized as a “Caring company” by The Hong Kong Council of Social Service for more than ten consecutive years. Since 2015, the “Haitong International Charitable Foundation” has also received the “Caring Organization” logo.



Corporate Social Responsibility Report

Promoting the development of windsurfing in HK and taking the lead in the international stage

In 2017, Haitong International further extended its corporate social responsibility to the sports circle and signed a long-term sponsorship contract with the Windsurfing Association of Hong Kong to support the development of windsurfing in Hong Kong including sponsoring the windsurfing events organized by Windsurfing Association of Hong Kong and nurturing windsurfers as the representative players for Hong Kong with an aim to foster the sport that Hong Kong people take pride in. With like minds, Windsurfing Association of Hong Kong pleasantly joins hand with Haitong International to promote windsurfing for its demonstration of persevering Hong Kong spirit, which is exactly what the Company's brand value is. Haitong International is non-conformist with venturesome and courageous DNA. Therefore, each of our team members is filled with dreams and energy. In the context of the ever-changing market conditions, we allow ourselves to have flexibility and calmness to cope with every circumstance. We also have the traditional Chinese virtues like benevolence, humbleness and integrity while we are pursuing higher and higher achievements. All these are the characteristics that windsurfing athletes have.



The first spectacular event title sponsored by the Company named "Haitong International 2017 Hong Kong Open Championships" was successfully held during the year, attracting more than 140 windsurfing athletes from Hong Kong, China, Chinese Taipei, Italy, Sweden and Thailand. Thanks to the windsurfing parties and photo competitions held during the same period coupled with local media coverage of windsurfing events, the sport has soared into public consciousness. Haitong International plans to put more resources to support windsurfing athletes and encourage devotion and participation to windsurfing by the community, business circle and our employees. We hope that, windsurfing and Haitong International can stand strong together in Hong Kong and set sail to the international arena.

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Customers

Haitong International has been being committed to fostering long-term relationships and trust with its customers. As such, we always keep up with times and are dedicated to meet the evolving customer needs by providing a full spectrum of innovative financial offerings for corporate, institutional and individual investors at home and abroad.

Haitong International is determined to expand its wealth management business for high-net-worth professional investors. In this regard, in October 2017, the all-new Private Wealth Management Department was established and the Private Wealth Management Centre came into operation in February 2018 to provide our high-net-worth customers and professional investors with top-notch investment solutions so as to maximize returns. Other than traditional products like securities and futures, we also provided a lineup of wealth management products including fixed income, structured products, funds, leveraged investment and financing solutions.

In line with the business development of the Stock Connects, Haitong International constantly updates its software and hardware of trading and settlement systems to meet customers' needs for new investment opportunities. To facilitate the promotion of the Stock Connects and beef up our services, we tailored-made training regarding the themes of A-share trading policies, regulations and industry outlook for all front, middle and back office employees from time to time. Moreover, we organized investment seminars and forums for clients. Boasting our preeminent research team, the Company provided over 1,000 institutional investors with research reports on about 1,100 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 to provide investment information and strategies for clients.

Haitong International always sees communication with its customers as an essential component for our success. The company information is updated on our official website, WeChat, Weibo, Facebook and Twitter from time to time. Besides, we have Facebook Fan-page named "Investment Strategy-Haitong International" and a WeChat public platform providing instant market information and investment strategy.

Haitong International strives to provide customers with suitable products and professional services. In this light, an internal "Quality Assurance Team" was set up in 2017. This team is responsible for performing due diligence checks on a variety of products and requiring our staff to have a thorough understanding of the characteristics and risks of the relevant financial products and services. Besides, the Company places a strong emphasis on risk management and internal control by providing training regarding relevant topics for the frontline, middle, and back office staff throughout the year so as to ensure the product contents, terms of services and operation procedures are in compliance with the rules and regulations. Therefore, clients are fully informed of the characteristics and risks of the products before making relevant investment decisions. Haitong International always values clients' suggestions and feedbacks. To enhance two-way communication, survey on client satisfactory level and suggestion is conducted quarterly for a better understanding of customers' satisfaction towards our products and services, enabling us to keep on improving the operation procedures as well as the products and service quality.



Corporate Social Responsibility Report

1. The all-new Private Wealth Management Department was established in Oct 2017
2. We organized investment seminars and forums for clients
3. The "Haitong International Staff Club" regularly organizes recreational activities for its staff and their family members
4. In 2017, the Company hosted over 70 internal training sessions
5. Since 2017, the Company has formed the Management Trainee Club with an aim to enhance cohesiveness and to offer opportunities of exchange

Employees

As an international financial institution, Haitong International understands that employees serve as the fuel of its sustainable growth. In the eyes of the Company, its staff members are a part of its invaluable assets. Therefore, Haitong International is committed to providing a comfortable working environment and ever-improving staff benefits for them and pays attention to their well-being.

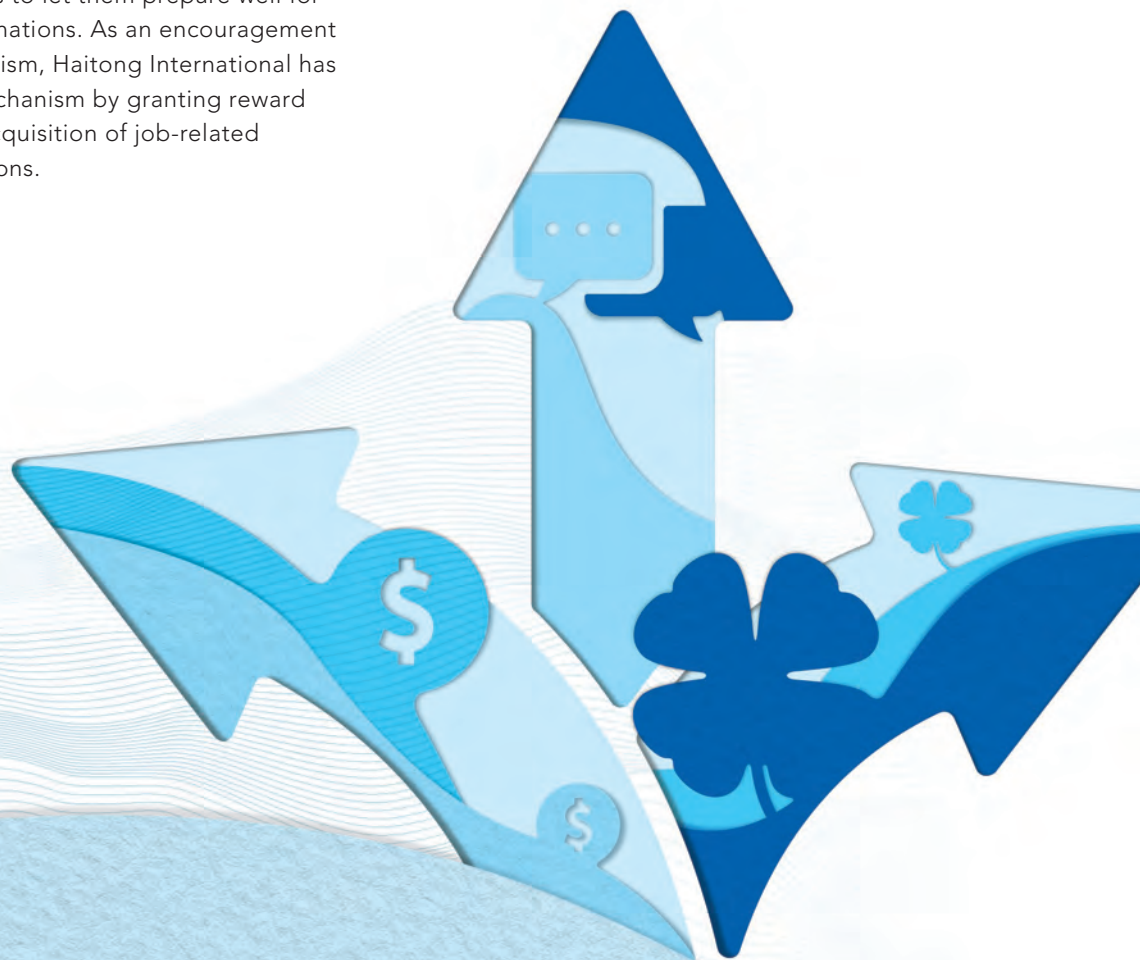
Haitong International always cares about the mental and physical well-being of its employees and advocates a work-life balance. Therefore continuous efforts have been put to improve staff welfare over years. The "Haitong International Staff Club" regularly organizes recreational activities for its staff and their family members including barbeques, basketball matches, jogging, singing contest and interest classes. Through those activities, the Company aims to relieve stress of staff and to encourage interactions amongst departmental colleagues. The Company also 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 effectively.

Haitong International always keeps itself from strength to strength and encourages its employees to sharpen up apace with time. With a plethora of training and sponsorship schemes, the Company helps its staff improve their professional knowhow and skills. In 2017, the Company hosted over 70 internal training sessions covering topics such as the global investment market, A-share market, Stock



Connects, 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 (SFC), and the continuous professional development requirements for insurance and MPF intermediaries and for registration with the Chinese Gold and Silver Exchange Society. Moreover, Haitong International specifically arranged a number of sessions of compliance and business training for staff to enhance their understanding on the new trend of compliance regarding business and internal operations. To smarten up our staff, the Company also provided them with communication courses and language courses to strengthen their interpersonal communication skills and Putonghua and English proficiency. 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 reward to staff members for acquisition of job-related professional qualifications.

To develop the bench strength for the Company, a "Management Trainee Scheme" has been launched since 2008 with which outstanding graduates with potential are recruited and provided with the one-year training with job rotation. Besides, since 2017, the Company has formed the Management Trainee Club with an aim to provide activities in different forms including meetings with senior management and team building events to enhance cohesiveness and to offer opportunities of exchange. As such, management trainees will have a deeper understanding of the Company's businesses and management culture.



Corporate Social Responsibility Report

Shareholders and Investors

During the reporting period, Haitong International proactively fostered communication with shareholders and investors by holding press conferences and analyst meetings for the interim and final results announcement, in which senior management were presented to answer questions raised by the media and sell-side analysts. Haitong International took active part in the investors conferences organized by sizable financial institutions and built up strong connections with about 300 investors and analysts across the world through non-deal road shows and one-on-one meetings held in various financial centers. With multi-channel and effective communication, the Company kept investors informed of the Group's operations, financial conditions and business development in a timely and clear fashion, whilst follow-up questions and feedbacks from investor had been properly handled and forwarded to senior management regularly such that shareholders' and investors' interest and expectation could be weighed in the process of the Company's operational and strategic decisions.

Since the share of the Company was included in the Stock Connects as an underlying share in 2016, the Company's stocks had been well received by domestic investors in China such that their combined holdings through the Stock Connects demonstrated a fast and steady growth, further reinforcing the diversification of shareholder base as well as the shares liquidity. During the year, Haitong International made a significant step in the aspect of credit rating. In April 2017, S&P Global Rating upgraded its rating outlook on the Company to Stable. In September 2017, Moody's Investors Service for the first time granted the Company with Baa2 long-term issuer rating, heightening confidence of shareholders and investors on the Company's creditability and financial strength. In this year, a total of 20 research reports on Haitong International were issued by 7 financial institutions and one of them was initial coverage. Additionally, Haitong International, as a Hong Kong-based Chinese securities house, was recommended in multiple research reports issued by its peers. The Company also organized annual general meeting (AGM) to build the connections among shareholders, investor and the management. All announcements and press releases issued by the Company are uploaded to its own website for easy access of shareholders and investors. Furthermore, the Company conveys the Group's information to investors and analysts by virtue of social media such as Facebook Fan-page, Twitter and WeChat. In addition to relationship maintenance with shareholders, investors and sell side analysts, the Company continued to promote educating investors about Hong Kong financial market and products. Upholding the "multi-market, multi-channel and multi-level" approach for proactive outreach to investors, the Company spares no effort to keep retail investors informed of market dynamics and risks, the latest trend as well as variety of financial products, by making its own experts exposed to the media for sharing their insights and experience in the industry and market trend to the investors. Moreover, the Company also regularly invited domestic and oversea experts to investment seminars, workshops and forums, for the sake of raising local investors' awareness and understanding about development trend of global financial market as well as global asset allocation.



Haitong International maintains close communications and exchanges with analysts and investors through regular meetings



The Senior Management attended financial results announcement press conference

Society

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

Dr. Lin Yong, Deputy Chairman and Chief Executive Officer of the Company, holding the philosophy of “giving hopes to the people in need,” initiated the establishment of the Haitong International Charitable Foundation. He believes corporate social responsibility should not be confined to donations, but should be expressed in various kinds of charitable activities which give people positivity and joie de vivre. Therefore, Haitong International Charitable Foundation has been searching for partnership with organizations in line with the philosophy in recent years for long-term and sustainable charitable projects.

Since 2016, Haitong International Charitable Foundation has cooperated with Helping Hand to unveil the Haitong International “Care for the Elderly, Care for the Brain” Project and launched various long term and sustainable charitable projects. It is anticipated to help elderly in need to improve their emotion and cognitive impairment through different kinds of activities such as horticulture, music and arts. In addition, the elder’s social network can be broadened through Interest Classes which enable them to enhance their cognitive abilities and keep abreast of the times and lead a fruitful life. By the end of 2017, the program has provided 169 activity hours for 5 elderly service units of the Helping Hand and 1,840 elderly has been benefited.

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Haitong International “Care for the Elderly, Care for the Brain” Project has been implemented for almost a year and is greatly supported by the Haitong International Caring Ambassador

Participated in “Care for the Elderly, Care for the Brain” Project – Lok Fu Care Home Visit



Corporate Social Responsibility Report

Community Contribution

This year, the caring ambassadors of Haitong International has visited Elderly Community Centers of Helping Hand for several times, besides giving them the gifts packs, they have assisted the elderly in carrying out horticultural rehabilitation activities such as planting and irrigating, helping them to improve health and cognitive abilities. More importantly, interactions and care reciprocated yesterday's social contributors with a time of bliss and reassurance. In addition, the athletes of the Company have participated in Bloomberg Square Mile Relay 2017 organized by Bloomberg.

With a strategic and long-term planning of "Haitong International Charitable Foundation", resources have been more effectively allocated to different non-profit making organizations. In 2017, apart from supporting the "Helping Hand Health Bank Cookie Campaign 2017" as ever and "YO Dancical 2" held by Youth Outreach, the Company has strengthened its cooperation with social enterprises during the year including cooperation with the Hong Kong Council of Social Service and ordering different corporate gifts for the company.



Members of Haitong International formed a team to join the "Bloomberg Square Mile Relay 2017"



Volunteers of Haitong International has made handicrafts together with elderly people

On-going Cooperation with Social Enterprises

During the year, Haitong International kept on promoting the development of social enterprises in Hong Kong, among which, Hong Kong Council of Social Service is one of its partners who helped create different kinds of business gifts for the Company. Like what it did last year, the Company has given its staff the SEs Gift Certificates as Mid-Autumn festive gifts. Those certificates are applicable to over 90 social enterprises or Fairtrade Shops. In this way, the Company hopes to raise its employees' awareness of social enterprises and contribute its spending power to society in a meaningful way. In addition, social enterprises have been also included in the Company's supplier list as a token of ongoing support.



SEs Gift Certificate

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 promote 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 Chief Executive Officer 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 issues in Hong Kong with regulatory bodies and leading financial institutions, and gives advice and recommendations in a bid to promote Hong Kong and its financial industry's image in the international arena.

Since 2014, Haitong International has been joining The Better Hong Kong Foundation as a corporate member with an aim to promote economic and social developments of Hong Kong to the overseas regions



Corporate Social Responsibility Report

Environmental Protection

Haitong International has formulated the “Environmental Protection of Procurement and Office Equipment” policy and planned the environmental protection works. We encourage employees and suppliers to support our environmental initiatives. In addition to advocating paperless workplaces, the company chose recycled paper for office paper and employee’s name cards in reducing the need of lumbering for paper production. The Company has set up recycle bins at each office floor to encourage employees to recycle waste paper and facilitate suppliers’ recovery works. The Company endeavors to use office furniture efficiently and avoids the production of large-scale waste, thus reducing the burden on landfills. The Company has committed to reducing air pollution generated by renovation works, thus planning to coordinate with the Property Management Office to conduct indoor air quality assessment.

In 2017, 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, showing the Company’s environmentally astute attitude from every detail. As a recognition of waste reduction efforts and concerns, the Company was granted the Wastewi\$e Label in Class of Excellence by Hong Kong Awards for Environmental Excellence led by Environmental Campaign Committee (ECC) and Environmental Protection Department (EPD).

Since 2017, Haitong International has followed Environmental, Social and Governance Reporting Guidelines issued by the Hong Kong Exchanges and Clearing Limited (the “HKEx”) in preparing its Environmental, Social and Governance Report.



The “Class of Excellence” Wastewi\$e Label