

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, and the society over 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.

Customers

Haitong International strives to expand its wealth management business for high-net-worth professional investors. We provide our high-net-worth customers and professional investors with top-notch investment solutions so as to maximize returns. In addition to traditional products like securities and futures, we also provide an array of wealth management products including fixed income, structured products, funds, leveraged investment and financing solutions. To address our clients' demand of global investment, we upgraded our U.S. stock trading platform in December 2018. Therefore, our customers are able to trade US stocks, HK stocks and A shares under one margin financing facility limit in each consolidated account.

In line with the business development of the Stock Connects, Haitong International constantly updates its trading and settlement systems to meet customers' needs for new investment opportunities. To educate our investors, our preeminent research team provided over 1,000 institutional investors with research reports covering 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 A share investment information and strategies for clients.



Besides, the Company places a strong emphasis on internal risk management and regulation compliance at both local and global levels. To raise the bar of our IT risk management and network security, the Customer Services Department equipped all online trading platforms with the two-factor authentication login system and software token this year. We update relevant systems on a regular basis and training has been provided to relevant employees to ensure the trading platforms, product specifications, terms and conditions of services and operational procedures are in line with relevant laws and rules. In this way, clients are kept well informed of the features of and risks involved in the investment before they make 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 operational procedures as well as the products and service quality.



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. The Company regularly organizes recreational activities for its staff and their families to relieve stress of staff and to encourage interactions amongst colleagues. Besides, Haitong International keeps its effort 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.

- 01 MTs attended "Haitong International AI Conference 2018" as event helpers and event moderators
- 02 Employees helped out the beach restoration after Typhoon Mangkhut



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 2018, the Company hosted over 90 internal training sessions. 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.

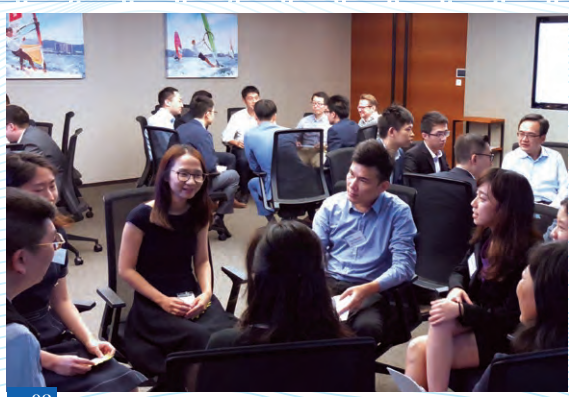
To develop the bench strength for the Company, a “Management Trainee Program” has been launched since 2008 with which outstanding university graduates with potential are recruited and provided with the one-year integrated development programs encompassing professional training, job rotation and career development support.

Furthermore, in 2018, aligning with our internationalization strategy, we started to call on our employees to go beyond themselves, in terms of capabilities or expertise. We encouraged them to work abroad through the Overseas Attachment and Exchange Programs so as to nurture our upcoming elite talents to tie in with our international businesses.



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01, 02 The kickoff of MT Mentorship Program



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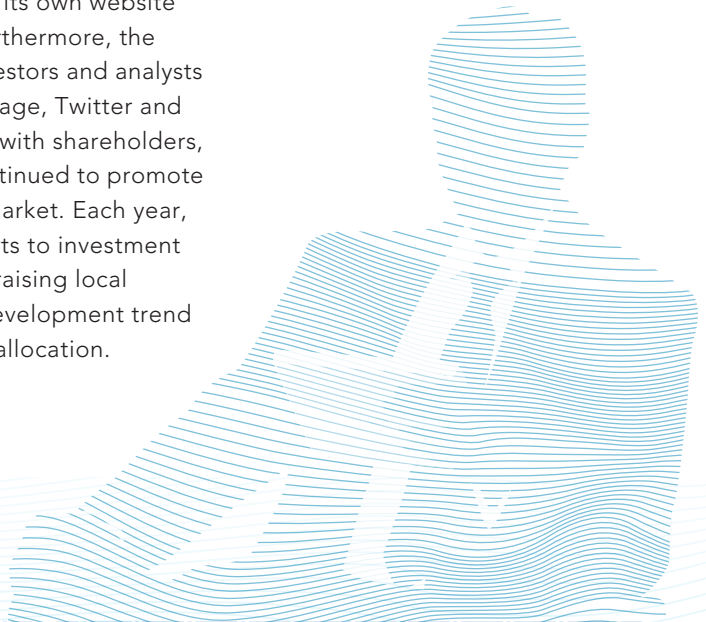


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03 Haitong International Basketball Team won the Championship in the “China Investment Bank Basketball League”

Shareholders and Investors

Haitong International has been attaching emphasis to foster good communication with shareholders and investors. Analyst meetings and non-deal roadshows are held after the release of the interim and final results announcement, in which senior management were present to answer questions regarding the Company's results and development. 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 around the world. With multichannel 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 investors had been properly handled and forwarded to senior management regularly so that the interest and expectations of shareholders and investors could be taken into consideration when making operational and strategic decisions. In 2016, the share of the Company was included in the Stock Connects as an underlying share, and it was granted the Baa2 long-term issuer rating by Moody's Investors Service in September 2017. In 2018, a total of 10 research reports on Haitong International were released by 8 institutions, including one initial coverage report. The Company also organized annual general meeting (AGM) to build the connections among shareholders, investors and the management to express their opinions and questions. 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 investors education about Hong Kong financial market. Each year, the Company invites domestic and overseas 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.



01 The Senior Management attended financial results announcement press conference

02 HTI provides investors with global macroeconomic forecast and market outlook



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Society

In the fall of 2017, Haitong International joined hands with the Windsurfing Association of Hong Kong to sponsor the windsurfing events organized by Windsurfing Association of Hong Kong and nurture windsurfers as the representative players for Hong Kong with an aim to foster the sport that Hong Kong people take pride in.

2018 is the 2nd year for Haitong International to title-sponsor Haitong International Hong Kong Windsurfing Open Championships. As a heavyweight international event with high standards and incentives, Haitong International Hong Kong Windsurfing Open Championships has attracted windsurfing athletes from the UK, Netherlands, Italy, HKSAR, Macau SAR and Chinese Taiwan to compete for the prize. In 2018, Haitong International also offered cash prizes up to HKD195,000 in total to outstanding windsurfers. In future, Haitong International will continue to support this sport with more resources to raise awareness of windsurfing in the community.

Since 2016, Haitong International Charitable Foundation has been cooperating with Helping Hand to unveil the "Haitong International 'Care for the Elderly, Care for the Brain' Project" to help elderly in need to improve their emotion and Dementia. As of today, the program has provided 330 activity hours for 5 elderly service units of the Helping Hand and 5,100 elderly has been benefited.



01 Haitong International title sponsored "Haitong International 2018 Hong Kong Open Windsurfing Championships"

02 Haitong International participated in "Care for the Elderly, Care for the Brain Project" – "Lok Fu Care Home Visit"



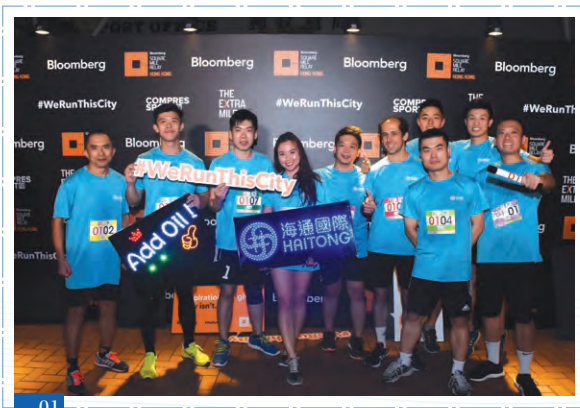
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Through Haitong International Charitable Foundation and Haitong International Caring Ambassador Volunteer Team, Haitong International effectively allocated its resources to support the activities run by non-government organizations. In 2018, the Company continued to support Helping Hand Healthbank Cookie after several years of cooperation, and called on its employees to take part in a lineup of charity events including Bloomberg Square Mile Relay and Great Walker Fundraising Trekking Event in Guangzhou, a campaign aiming at helping poverty-stricken children. During the year, Haitong International co-organized HTI Pizza Hut Kid's Tour with the Baptist Oi Kwan Social Service – Wan Chai Integrated Children and Youth Service Centre. In addition, the Company also worked with the Asia Children Education Association to roll out the "21st Century Cup" National English Speaking Competition Hong Kong Region, for which its foreign staff acted as the judge.

Like what it did last year, the Group 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 response to the death toll amounting to 19 with over 60 injured due to the KMB bus rollover on 10 February 2018, Haitong International Charitable Foundation allocated part of its funds as financial assistance to the family of the dead and injured.



01 Haitong International's staff team joined the "Bloomberg Square Mile Relay 2018"

02 Haitong International organized the "HTI Pizza Hut Kid's Tour". Volunteers were guiding ethnic minority children to make pizza.

03 Haitong International teamed up to support the "Good Walker in Guangzhou 2018"



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 business cards in reducing the need of felling of trees for paper production. The Group has set up designated recycle bins on 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 Group has committed to reducing air pollution generated by renovation works. For this purpose, it coordinated with the Property Management Office to conduct indoor air quality assessment in 2018.

In 2017 and 2018, 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 Group’s environmentally astute attitude from every detail. As a recognition of its 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).

In 2018, automatic lighting system and lighting sensors were installed for the new office at Wong Chuk Hang as a pioneer to facilitate power consumption reduction and energy saving.

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.



01 The Social Enterprises’ Gift Certificate given by Haitong International to its staff.

02 The “Class of Excellence” Wastewi\$e Label



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Wastewi\$e
—Certificate—