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海通證券股份有限公司  
HAITONG SECURITIES CO., LTD.\*

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 6837)

**(1) PROPOSED ADJUSTMENTS TO THE NON-PUBLIC ISSUANCE  
OF A SHARES UNDER THE GENERAL MANDATE  
(2) PROPOSED ENTERING INTO THE SUPPLEMENTAL  
AGREEMENTS TO SUBSCRIBE A SHARES BY EXISTING SHAREHOLDERS**

References are made to the announcement of the Company dated 26 April 2018, the circular of the annual general meeting for the year 2017 dated 31 May 2018 and the announcement of poll results of annual general meeting for the year 2017 dated 21 June 2018 in relation to (among other things) the Proposed Non-public Issuance of A Shares under the general mandate; and the announcement of the Company dated 25 April 2019, the circular of the annual general meeting dated 27 May 2019 and the announcement of poll results of annual general meeting for the year 2018 dated 18 June 2019 in relation to (among other things) the Proposed Adjustments to the Non-public Issuance of A Shares under the general mandate.

On 14 February 2020, the CSRC issued the Decision on Revising the Administrative Measures for the Issuance of Securities by Listed Companies (《關於修改<上市公司證券發行管理辦法>的決定》) and the Decision to Amend the Implementation Rules for Non-public Issuance of Shares by Listed Companies (《關於修改<上市公司非公開發行股票實施細則>的決定》). Pursuant to the above document and the regulatory requirements, the issuance price, maximum target subscribers and lock-up period of the Proposed Adjustments to the Non-public Issuance of A Shares shall be executed in accordance with the newly amended Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》) (the “**Administrative Measures for the Issuance of Securities by Listed Companies for 2020**”) and the Implementation Rules for Non-public Issuance of Shares by Listed Companies (《上市公司非公開發行股票實施細則》) (the “**Implementation Rules for Non-public Issuance of Shares for 2020**”). In order to ensure the smooth performance of the non-public issuance of A Shares, and taking into account capital market conditions, investor subscription intention, financing environment, regulatory policies and future development plans of the Company, on 25 February 2020, the Board approved the Adjusted Non-public Issuance of A Shares under the general mandate and the supplemental agreements to the subscription agreements entered into between the Company and four specific subscribers. The Adjusted Non-Public Issuance of A Shares and major terms of the supplemental agreements to the subscription agreements are set out in this announcement.

## **PROPOSED ADJUSTMENTS TO THE NON-PUBLIC ISSUANCE OF A SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that, on 25 February 2020, the Board has approved the Adjusted Non-public Issuance of A Shares under the general mandate, pursuant to which, four new specific subscribers, namely Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group, entered into supplemental agreements to the subscription agreements with the Company respectively to subscribe for A Shares under the Adjusted Non-public Issuance of A Shares. The total number of A Shares to be issued remains to be no more than 1,618,426,236 and the total gross proceeds to be raised is still expected to be no more than RMB20.0 billion, which will be utilized pursuant to adjusted plan of use of proceeds after deducting issuance expenses.

## **PROPOSED ENTERING INTO SUPPLEMENTAL AGREEMENTS TO SUBSCRIBE A SHARES BY EXISTING SHAREHOLDERS**

On 25 February 2020, the Company entered into the supplemental agreements to the subscription agreements with Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group respectively, pursuant to which, Shanghai Guosheng Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate for an amount of RMB10 billion; Shanghai Haiyan Investment has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate for an amount of not more than RMB3 billion (inclusive); Bright Food Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate for an amount of not less than RMB0.8 billion (inclusive) and not more than RMB1 billion (inclusive); and Shanghai Electric Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate for an amount of not less than RMB1 billion (inclusive).

Shanghai Guosheng Group held approximately 4.99% equity interest in the Company, Shanghai Haiyan Investment held approximately 3.48% equity interest in the Company, Bright Food Group held approximately 3.5% equity interest in the Company, and Shanghai Electric Group held approximately 2.23% equity interest in the Company. Pursuant to applicable PRC laws and regulations, Shanghai Guosheng Group, Shanghai Haiyan Investment and Bright Food Group are related parties of the Company. Therefore, the Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription and the Bright Food Group Subscription, constitute related party transactions of the Company and are subject to consideration and approval of non-related Shareholders. Shanghai Electric Group is not a related party of the Company. Therefore, the Shanghai Electric Group Subscription does not constitute a related party transaction of the Company. However, Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group, and Shanghai Electric Group are not connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. The Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription, the Bright Food Group Subscription and the Shanghai Electric Group Subscription do not constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The extraordinary general meeting will be convened by the Company to consider and approve, among other things, the Adjusted Non-public Issuance of A Shares under the general mandate and the supplemental agreements to the subscription agreements entered into between the Company and four specific subscribers, respectively. A circular containing, among other things, details of the Adjusted Non-public Issuance of A Shares under the general mandate, the Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription, the Bright Food Group Subscription, the Shanghai Electric Group Subscription, together with the notice of the extraordinary general meeting, will be despatched to the Shareholders in due course.

**Since the completion of the Adjusted Non-public Issuance of A Shares under the general mandate, the Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription, the Bright Food Group Subscription and the Shanghai Electric Group Subscription are subject to the fulfillment of certain conditions, the Adjusted Non-public Issuance of A Shares under the general mandate, the Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription, the Bright Food Group Subscription and the Shanghai Electric Group Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

References are made to the announcement of the Company dated 26 April 2018, the circular of the annual general meeting for the year 2017 dated 31 May 2018 and the announcement of poll results of annual general meeting for the year 2017 dated 21 June 2018 in relation to (among other things) the Proposed Non-public Issuance of A Shares under the general mandate; and the announcement of the Company dated 25 April 2019, the circular of the annual general meeting dated 27 May 2019 and the announcement of poll results of annual general meeting for the year 2018 dated 18 June 2019 in relation to (among other things) the Proposed Adjustments to the Non-public Issuance of A Shares under the general mandate.

In order to ensure the smooth performance of the non-public issuance of A Shares, and taking into account capital market conditions, investor subscription intention, financing environment, regulatory policies and future development plans of the Company, on 25 February 2020, the Board approved the Adjusted Non-public Issuance of A Shares under the General Mandate and the supplemental agreements to the subscription agreements entered into between the Company and four specific subscribers. The Adjusted Non-Public Issuance of A Shares and major terms of the supplemental agreements to the subscription agreements are set out in this announcement.

## **ADJUSTED NON-PUBLIC ISSUANCE OF A SHARES UNDER THE GENERAL MANDATE**

### **I. SUMMARY OF THE PLAN RELATED TO THE ADJUSTED NON-PUBLIC ISSUANCE OF A SHARES UNDER THE GENERAL MANDATE**

The Board is pleased to announce that, on 25 February 2020, the Board has approved the Adjusted Non-public Issuance of A Shares under general mandate, pursuant to which the Company will issue no more than 1,618,426,236 (inclusive) A Shares to no more than 35 (inclusive) specific target subscribers (including Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group), which is expected to raise a gross proceeds of up to RMB20.0 billion (inclusive).

The details of the Adjusted Non-public Issuance of A Shares under the general mandate are set out below. The final issuance plan shall be the one as approved by the CSRC.

### **1. Class and nominal value of shares to be issued**

The class of shares under the Adjusted Non-public Issuance of A Shares is domestically listed ordinary shares denominated in Renminbi (A Shares), with a nominal value of RMB1.00 each.

### **2. Method and time of the issuance**

The Adjusted Non-public Issuance of A Shares will be carried out by way of non-public issuance to specific target subscribers. The Company will choose appropriate opportunity to issue shares, which shall be within the validity period stipulated in the approval issued by the CSRC.

### **3. Target subscribers and subscription method**

Under the Implementation Rules for Non-public Issuance of Shares for 2020, the target subscribers for the Adjusted Non-public Issuance of A Shares have changed from “no more than 10 target subscribers which include the existing shareholders of the Company, Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group, as well as securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors (QFII) and other domestic institutional and individual investors in compliance with the relevant requirements of the CSRC; a securities investment fund management company subscribing for the shares with its two or more funds under its management, shall be deemed as one single target subscriber; as the target subscriber, trust investment companies shall only subscribe for the A Shares with their own funds” to “no more than 35 target subscribers which include the existing shareholders of the Company, Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group, as well as securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, QFII and other domestic institutional and individual investors in compliance with the relevant requirements of the CSRC; a securities investment fund management company, securities firm, QFII and RMB QFII subscribing for the shares with its two or more products under its management, shall be deemed as one single target subscriber; as the target subscriber, trust investment companies shall only subscribe for the A Shares with their own funds”.

Shanghai Guosheng Group held approximately 4.99% equity interest in the Company, Shanghai Haiyan Investment held approximately 3.48% equity interest in the Company, Bright Food Group held approximately 3.5% equity interest in the Company, and Shanghai Electric Group held approximately 2.23% equity interest in the Company. Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group, and Shanghai Electric Group are not connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules.

Except for Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group, other final target subscribers shall be determined by the Company based on the prices offered by the target subscribers in accordance with the requirements of the Administrative Measures for the Issuance of Securities by Listed Companies for 2020 and the Implementation Rules for Non-public Issuance of Shares for 2020 and the principle of price priority, upon obtaining the written approval from the relevant regulatory authorities in connection with the Adjusted Non-public Issuance of A Shares.

As at the date of this announcement, it is expected that connected persons (as defined under the Hong Kong Listing Rules) of the Company will not participate in the subscription of A Shares under the Adjusted Non-public Issuance of A Shares. If the A Shares under the Adjusted Non-public Issuance of A Shares are issued to any connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules, the Company will comply with relevant requirements under Chapter 14A of the Hong Kong Listing Rules including but not limited to announcement and independent shareholders' approval.

In the event of failure to determine the issuance price of the issuance through market inquiry, Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group shall continue to participate in the subscription and take the bottom price of the issuance (the higher of 80% of the average trading price of A Shares of the Company for the 20 trading days preceding the pricing benchmark date (exclusive) and the audited net assets per share attributable to owners of the Company for the last period before the issuance) as the subscription price.

All the target subscribers shall subscribe in cash for the A Share(s) to be issued under the Adjusted Non-public Issuance of A Shares.

If the shareholder qualification of the target subscribers and the corresponding review procedures are otherwise provided by regulatory authorities, those requirements shall be followed.

#### **4. Number of shares to be issued**

The number of A Shares to be issued under the Adjusted Non-public Issuance of A Shares shall be no more than 1,618,426,236 (inclusive) A Shares. The number of A Shares to be issued represents (assuming the A Shares are issued in full):

- (i) approximately 20.00% of the existing issued A Shares and approximately 14.07% of the existing total issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 16.67% of the enlarged issued A Shares and approximately 12.34% of the enlarged total issued share capital of the Company upon completion of the Adjusted Non-Public Issuance of A Shares.

Shanghai Guosheng Group intends to subscribe for A Shares in cash for an amount of RMB10 billion. Shanghai Haiyan Investment intends to subscribe for A Shares in cash for an amount of not more than RMB3 billion (inclusive). Bright Food Group intends to subscribe for A Shares in cash for an amount of not less than RMB0.8 billion (inclusive) and not more than RMB1 billion (inclusive). Shanghai Electric Group intends to subscribe for A Shares in cash for an amount of not less than RMB1 billion (inclusive).

The number of shares to be issued under the Adjusted Non-public Issuance of A Shares shall be adjusted accordingly in cases of ex-rights matters such as bonus issuance and conversion of capital reserve into share capital during the period from the date of the resolution(s) approved by the Board in connection with the Adjusted Non-public Issuance of A Shares to the date of the issuance.



The final number of the A Shares under the Adjusted Non-public Issuance of A Shares shall be determined by the Board and its authorized person(s), under the authorization granted at the general meeting, with the sponsor (the lead underwriter) based on the upper limit of the number of shares and issuance price finally approved by the CSRC. The final number of A Shares to be subscribed by Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group shall be determined based on the issuance price, investment demands and negotiation among target subscribers and the Company, after the approval from the CSRC in connection with the Adjusted Non-public Issuance of A Shares is obtained and the offering period is determined by the Company in accordance with the secondary market conditions.

## **5. Issuance price and pricing principle**

According to the Implementation Rules for Non-public Issuance of Shares by Listed Companies for 2020, the pricing benchmark date of the Adjusted Non-public Issuance of A Shares shall be the first day of the offering period of the A Shares under the Adjusted Non-public Issuance of A Shares, and the issuance price has changed from “not lower than 90% of the average trading price of A Shares for the 20 consecutive trading days preceding the pricing benchmark date (exclusive), or the audited net assets per share attributable to owners of the Company for the last period before the issuance, whichever is higher” to “not lower than 80% of the average trading price of A Shares for the 20 consecutive trading days preceding the pricing benchmark date (exclusive), or the audited net assets per share attributable to owners of the Company for the last period before the issuance, whichever is higher”.

The average trading price of A Shares for the 20 consecutive trading days preceding the pricing benchmark date = total trading amount of A Shares for the 20 consecutive trading days preceding the pricing benchmark date ÷ total trading volume of A Shares for the 20 consecutive trading days preceding the pricing benchmark date. In the event that any ex-right or ex-dividend activity causes any adjustment in the share prices during the 20 trading days, the trading prices for the trading days before such adjustment shall be calculated on the basis of the adjusted price caused by the ex-right or ex-dividend activities.

In the event that the Company distributes dividends, grants bonus shares, allots shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the period commencing from the balance sheet date of the audited financial reports for the last period before the Adjusted Non-public Issuance of A Share to the issuance date of the Adjusted Non-public Issuance of A Share, adjustments shall be made to the above net assets per share accordingly.

The final issuance price of the Adjusted Non-public Issuance of A Shares will, upon obtaining the approval issued by the CSRC, be determined by the Board and its authorized person(s) under the authorization granted at the general meeting with the sponsor (the lead underwriter) in accordance with the relevant requirements of the CSRC, and based on the prices offered by the target subscribers as well as the principle of price priority. Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group, and Shanghai Electric Group will not participate in the price quotation for the Adjusted Non-public Issuance of A Shares, but will accept results of market inquiry and subscribe for the A Shares at the same subscription price as other target subscribers.

In the event of failure to determine the issuance price of the issuance through market inquiry, Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group shall continue to participate in the subscription and take the bottom price of the issuance (the higher of 80% of the average trading price of A Shares of the Company for the 20 trading days preceding the pricing benchmark date (exclusive) and the audited net assets per share attributable to owners of the Company for the last period before the issuance) as the subscription price.

## 6. Amount of proceeds to be raised and use of proceeds

The amount of proceeds to be raised from the Adjusted Non-public Issuance of A Shares is expected to be no more than RMB20.0 billion (inclusive). After deducting the issuance expenses, it will be fully utilized to increase the Company's capital, replenish working capital, optimize the structure of assets and liabilities, improve the Company's financial services industry chain and serve the real economy. The use of proceeds of the Adjusted Non-public Issuance of A Shares is as follows:

No.	Projects to be invested with the proceeds	Proposed amounts of proceeds to be applied
1	To develop capital-based intermediary business and further enhance financial services capabilities	No more than RMB6.0 billion
2	To increase FICC investment and optimize the structure of assets and liabilities	No more than RMB10.0 billion
3	To increase investment in information system construction and enhance the overall informatization level of the Company	No more than RMB1.5 billion
4	To increase capital injection to investment banking business and further promote the development of investment banking business	No more than RMB2.0 billion
5	To replenish working capital	No more than RMB0.5 billion
	<b>Total</b>	<b>No more than RMB20.0 billion</b>

## 7. Lock-up period

Pursuant to relevant requirements of the Administrative Measures for the Issuance of Securities by Listed Companies for 2020, the Implementation Rules for Non-public Issuance of Shares for 2020 and the "Guidelines on Administrative Approval for Securities Companies No. 10 -Increase and Change in Equity Interest of Securities Companies" (《證券公司行政許可審核工作指引第10號－證券公司增資擴股和股權變更》), upon completion of the Adjusted Non-public Issuance of A Shares, the A Shares subscribed by the specific target subscriber(s) who hold(s) 5% or more of the enlarged total issued share capital of the Company shall not be transferred within 48 months from the date of completion of the issuance. The period that the A Shares subscribed by the specific target subscriber(s) who hold(s) less than 5% of the enlarged total issued share

capital of the Company and being strategic investor(s) introduced by the Board shall not be transferred has changed from “within 36 months from the date of completion of the issuance” to “within 18 months from the date of completion of the issuance”. The period that the A Shares subscribed by other subscriber(s) shall not be transferred has changed from “within 12 month from the date of completion of the issuance” to “within 6 months from the date of completion of the issuance”. If lock-up period is otherwise prescribed or required by applicable laws and regulations, such requirements shall prevail.

#### **8. Place of listing**

The A Shares to be issued under the Adjusted Non-public Issuance of A Shares will be listed and traded on the Shanghai Stock Exchange upon expiration of the lock-up period.

#### **9. Arrangement for the retained profits of the Company prior to the Adjusted Non-public Issuance of A Shares**

The undistributed retained profits of the Company prior to the Adjusted Non-public Issuance of A Shares are subject to the entitlement of both the new Shareholders and the existing Shareholders upon completion to take care of both parties’ interest.

#### **10. Validity period of the resolution**

The resolution(s) in relation to the Adjusted Non-public Issuance of A Shares shall remain valid for 12 months from the date on which relevant resolution(s) are considered and approved at relevant general meeting. If the Company has formally submitted relevant application materials of the Adjusted Non-public Issuance of A Shares to the CSRC and obtained the notice of acceptance within above validity period, the validity period will be automatically extended to the date when the Adjusted Non-public Issuance of A Shares is completed.

### **II. GENERAL MANDATE OF THE ADJUSTED NON-PUBLIC ISSUANCE OF A SHARES**

The proposed issuance of no more than 1,618,426,236 (inclusive) A Shares pursuant to the Adjusted Non-public Issuance of A Shares will be issued under the general mandate approved at the extraordinary general meeting of the Company.

### **III. CONDITIONS PRECEDENT OF THE ADJUSTED NON-PUBLIC ISSUANCE OF A SHARES UNDER GENERAL MANDATE**

The Adjusted Non-public Issuance of A Shares under the general mandate has been approved by the Board on 25 February 2020, and is subject to the approval by way of a special resolution of the Shareholders at the forthcoming extraordinary general meeting and the approval of the CSRC. Upon obtaining the approval of the CSRC, the Company will apply to the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the issuance and listing related matters of the Adjusted Non-public Issuance of A Shares, to complete the application and approval procedures for the Adjusted Non-public Issuance of A Shares unless otherwise provided by laws or regulations.



## **PROPOSED ENTERING INTO THE SUPPLEMENTAL AGREEMENTS TO SUBSCRIBE A SHARES BY EXISTING SHAREHOLDERS**

On 25 February 2020, the Company entered into the supplemental agreements to the subscription agreements with Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group respectively, pursuant to which Shanghai Guosheng Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate for an amount of RMB10 billion. Shanghai Haiyan Investment has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate for an amount of not more than RMB3 billion (inclusive). Bright Food Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate for an amount of not less than RMB0.8 billion (inclusive) and not more than RMB1 billion (inclusive). Shanghai Electric Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate for an amount of not less than RMB1 billion (inclusive).

### **I. SUMMARY OF THE SUPPLEMENTAL AGREEMENT TO SHANGHAI GUOSHENG GROUP SUBSCRIPTION AGREEMENT**

#### **1. Parties**

The Company (as the issuer) and Shanghai Guosheng Group (as the subscriber).

#### **2. Price of shares to be subscribed**

The pricing benchmark date of the Adjusted Non-public Issuance of A Shares shall be the first day of the offering period of the A Shares under the Adjusted Non-public Issuance of A Shares, and the issuance price shall not be lower than 80% of the average trading price of A Shares for the 20 consecutive trading days preceding the pricing benchmark date (exclusive), or the audited net assets per share attributable to owners of the Company for the last period before the issuance, whichever is higher.

#### **3. Conditions precedent**

The subscription agreement entered into between the Company and Shanghai Guosheng Group dated 25 February 2020 is conditional upon:

- (1) the respective approvals by the Board and general meetings of all matters relating to the Adjusted Non-public Issuance of A Shares;
- (2) the approval by the CSRC of the Adjusted Non-public Issuance of A Shares.

The date on which the last of the above conditions is satisfied shall be the effective date of the Supplemental Agreement to Shanghai Guosheng Group Subscription Agreement.

## **II. SUMMARY OF THE SUPPLEMENTAL AGREEMENT TO SHANGHAI HAIYAN INVESTMENT SUBSCRIPTION AGREEMENT**

### **1. Parties**

The Company (as the issuer) and Shanghai Haiyan Investment (as the subscriber).

### **2. Price of shares to be subscribed**

The pricing benchmark date of the Adjusted Non-public Issuance of A Shares shall be the first day of the offering period of the A Shares under the Adjusted Non-public Issuance of A Shares, and the issuance price shall not be lower than 80% of the average trading price of A Shares for the 20 consecutive trading days preceding the pricing benchmark date (exclusive), or the audited net assets per share attributable to owners of the Company for the last period before the issuance, whichever is higher.

### **3. Lock-up period**

The A Shares subscribed by Shanghai Haiyan Investment under the Adjusted Non-public Issuance of A Shares shall not be transferred within 18 months upon the completion of the issuance of A Shares. If lock-up period is otherwise prescribed or required by applicable laws and regulations, such requirements shall prevail.

### **4. Conditions precedent**

The supplemental agreement to the subscription agreement entered into between the Company and Shanghai Haiyan Investment dated 25 February 2020 is conditional upon:

- (1) the respective approvals by the Board and general meetings of all matters relating to the Adjusted Non-public Issuance of A Shares;
- (2) the approval by the CSRC of Adjusted Non-public Issuance of A Shares.

The date on which the last of the above conditions is satisfied shall be the effective date of the Supplemental Agreement to Shanghai Haiyan Investment Subscription Agreement.

### **III. SUMMARY OF THE SUPPLEMENTAL AGREEMENT TO BRIGHT FOOD GROUP SUBSCRIPTION AGREEMENT**

#### **1. Parties**

The Company (as the issuer) and Bright Food Group (as the subscriber).

#### **2. Price and number of shares to be subscribed**

The issuance price of the Adjusted Non-public Issuance of A Shares shall not be lower than 80% of the average trading price of A Shares for the 20 consecutive trading days preceding the pricing benchmark date (exclusive), or the audited net assets per share attributable to owners of the Company for the last period before the issuance, whichever is higher.

#### **3. Lock-up period**

The A Shares subscribed by Bright Food Group under the Adjusted Non-public Issuance of A Shares shall not be transferred within 18 months upon the completion of the issuance of A Shares. If lock-up period is otherwise prescribed or required by applicable laws and regulations, such requirements shall prevail.

#### **4. Conditions precedent**

The supplemental agreement to the subscription agreement entered into between the Company and Bright Food Group dated 25 February 2020 is conditional upon:

- (1) the respective approvals by the Board and general meetings of all matters relating to the Adjusted Non-public Issuance of A Shares;
- (2) the approval by the CSRC of Adjusted Non-public Issuance of A Shares.

The date on which the last of the above conditions is satisfied shall be the effective date of the Supplemental Agreement to Bright Food Group Subscription Agreement.

#### **IV. SUMMARY OF THE SUPPLEMENTAL AGREEMENT TO SHANGHAI ELECTRIC GROUP SUBSCRIPTION AGREEMENT**

##### **1. Parties**

The Company (as the issuer) and Shanghai Electric Group (as the subscriber).

##### **2. Price and number of shares to be subscribed**

The issuance price of the Adjusted Non-public Issuance of A Shares shall not be lower than 80% of the average trading price of A Shares for the 20 consecutive trading days preceding the pricing benchmark date (exclusive), or the audited net assets per share attributable to owners of the Company for the last period before the issuance, whichever is higher.

##### **3. Lock-up period**

Upon completion of the subscription, if Shanghai Electric Group holds more than 5% (inclusive) of the enlarged total issued share capital of the Company, the A Shares subscribed by Shanghai Electric Group under the Adjusted Non-public Issuance of A Shares shall not be transferred within 48 months from the date of completion of the issuance. If Shanghai Electric Group holds less than 5% of the enlarged total issued share capital of the Company upon completion of the subscription, the A Shares subscribed by Shanghai Electric Group under the Adjusted Non-public Issuance of A Shares shall not be transferred within 18 months from the date of completion of the issuance. If lock-up period is otherwise prescribed or required by applicable laws and regulations, such requirements shall prevail.

##### **4. Conditions precedent**

The supplemental agreement to the subscription agreement entered into between the Company and Shanghai Electric Group dated 25 February 2020 is conditional upon:

- (1) the respective approvals by the Board and general meetings of all matters relating to the Adjusted Non-public Issuance of A Shares;
- (2) the approval by the CSRC of Adjusted Non-public Issuance of A Shares.

The date on which the last of the above conditions is satisfied shall be the effective date of the Supplemental Agreement to Shanghai Electric Group Subscription Agreement.

Shanghai Guosheng Group held approximately 4.99% equity interest in the Company, Shanghai Haiyan Investment held approximately 3.48% equity interest in the Company, Bright Food Group held approximately 3.5% equity interest in the Company, and Shanghai Electric Group held approximately 2.23% equity interest in the Company. Pursuant to applicable PRC laws and regulations, Shanghai Guosheng Group, Shanghai Haiyan Investment and Bright Food Group are related parties of the Company. Therefore, the Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription and the Bright Food Group Subscription, constitute related party transactions of the Company and are subject to consideration and approval of non-related Shareholders. Shanghai Electric Group is not a related party of the Company. Therefore, the Shanghai Electric Group Subscription does not constitute a related party transaction of the Company. However, Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group, and Shanghai Electric Group are not connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. The Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription, the Bright Food Group Subscription and the Shanghai Electric Group Subscription do not constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The Company will strictly comply with the PRC laws and regulations and internal rules of the Company to fulfill the approval procedures for related party transactions. In the process of voting for the Adjusted Non-public Issuance of A Shares by the Board, the related directors have abstained from voting pursuant to applicable PRC laws and regulations. Shanghai Electric Group does not constitute a related party of the Company, while considering that Mr. Xu Jianguo, the director of the Company, holds a post in Shanghai Electric Group, he has abstained from voting for prudence purpose. The related shareholders shall also abstain from voting of relevant resolution at the general meeting pursuant to applicable PRC laws and regulations.

### **Effect of the Adjusted Non-Public Issuance of A Shares Under the General Mandate on the Shareholding Structure of the Company**

As of the date of this announcement, the total issued share capital of the Company is 11,501,700,000 Shares, which comprises 8,092,131,180 A Shares and 3,409,568,820 H Shares.



The shareholding structure of the Company (i) as of the date of this announcement; and (ii) immediately after completion of the Adjusted Non-public Issuance of A Shares (assuming that (a) the maximum amount of A Shares of 1,618,426,236 A Shares are being issued, and (b) there is no change in the total issued share capital of the Company during the period from the date of this announcement to the date of completion, save for the Adjusted Non-public Issuance of A Shares) is set out as follows:

Class of shares	As at the date of this Announcement		Immediately after completion of the Adjusted Non-public Issuance of A Shares	
	Number of shares	Approximate percentage of the total issued share capital	Number of shares	Approximate percentage of the total issued share capital
A Shares	8,092,131,180	70.36%	9,710,557,416	74.01%
H Shares	3,409,568,820	29.64%	3,409,568,820	25.99%
<b>Total</b>	<b>11,501,700,000</b>	<b>100%</b>	<b>13,120,126,236</b>	<b>100%</b>

The shareholding structure of the Company is relatively decentralised. The Company has no controlling shareholder nor de facto controller before the Adjusted Non-public Issuance of A Shares, and will not have any controlling shareholder or de facto controller after the Adjusted Non-public Issuance of A Shares. Therefore, the Adjusted Non-public Issuance of A Shares will not result in any change in control of the Company. The Board expects that the Company will continue to meet the public float requirements of the Hong Kong Listing Rules after the completion of the Adjusted Non-public Issuance of A Shares.

#### **Authorization to the Board in relation to the Adjusted Non-public Issuance of A Shares**

In order to efficiently and smoothly complete the Adjusted Non-public Issuance of A Shares of the Company, pursuant to the relevant provisions of the “Company Law of the People’s Republic of China,” the “Securities Law of the People’s Republic of China,” and the Administrative Measures for the Issuance of Securities by Listed Companies for 2020, it is proposed that the Board be authorized at the general meeting and the management of the Company be delegated by the Board, to handle in its absolute discretion the matters related to the Adjusted Non-public Issuance of A Shares in accordance with relevant laws, regulations, and regulatory documents. Details are as follows:

1. To formulate and implement the specific plan for the Adjusted Non-public Issuance of A Shares, including but not limited to issuance time, the final number of shares to be issued, specific price of the issuance, the selection of target subscribers, the proportion of subscriptions and other matters related to the pricing of the issuance, in accordance with the relevant laws and regulations, the relevant provisions of securities regulatory authorities and the resolution(s) at the general meeting;

2. To determine and engage intermediaries such as sponsor, amend, supplement, sign, submit, report and execute all agreements and other important documents in the operation of investments with the proceeds raised from the issuance, and deal with other related matters;
3. To prepare, revise and submit the application documents for the Adjusted Non-public Issuance of A Shares, and make responses in its absolute discretion to the comments from the CSRC and other relevant government departments in accordance with the requirements of securities regulatory authorities;
4. To make adjustments to the arrangements for investments with the proceeds raised from the issuance within the scope of investments resolved at the general meeting; sign major contracts, agreements and reporting documents in the operation of investments with the proceeds raised from the issuance, and designate or establish a special deposit account for the proceeds raised from the issuance;
5. To increase the registered capital of the Company, make amendments to the relevant provisions of the Articles of Association, report the same to the relevant government departments and regulatory authorities for approval or filing, and handle the changes in registration of industry and commerce in accordance with the actual conditions of the issuance;
6. To handle the matters such as registration, lock-up and listing of the shares under the non-public issuance on the Shanghai Stock Exchange and with the Shanghai Branch of the China Securities Depository and Clearing Company Limited upon completion of the Adjusted Non-public Issuance of A Shares;
7. To make adjustments to the non-public issuance plan and the investments with the proceeds raised from the issuance, and continue to handle the matters related to the non-public issuance of shares in accordance with the relevant national policies, the requirements of regulatory authorities (including the review feedback on the application for the Adjusted Non-public Issuance of A Shares), market conditions and actual operation of the Company if there are any changes in the national policies on the Adjusted Non-public Issuance of A Shares or the relevant market conditions, except for the matters required to be re-voted at the general meeting in accordance with the relevant laws, regulations and the Articles of Association; and
8. To handle all other matters related to the Adjusted Non-public Issuance of A Shares.

This authorization is effective for a period of 12 months from the date on which it is considered and approved at the general meeting. However, if the Company obtains approval issued by the CSRC for such issuance plan within the validity period, the authorization period shall be automatically extended to the date on which such issuance is completed.

## **Fund Raising Activities in the Past Twelve Months**

The Company has not conducted any equity fund raising activity during the 12 months immediately before the date of this announcement.

## **Reasons and Benefits for the Adjusted Non-public Issuance of A Shares**

The Board is of the opinion that the Adjusted Non-public Issuance of A Shares is an inevitable choice to capture development trend of the securities industry and also provides strong support for the Company to achieve its strategic objectives. The Adjusted Non-public Issuance of A Shares will enable the Company to effectively cope with the increasingly fierce capital competition in the securities industry, actively participate in the competition in the international market, further reduce liquidity risks and improve its risk bearing ability.

Taking into account the above reasons and benefits, the Board (including the Independent Non-executive Directors) considers that the Adjusted Non-public Issuance of A Shares under the general mandate is in the interest of the Company and the Shareholders as a whole.

The extraordinary general meeting will be convened by the Company to consider and approve to its discretion, among other things, resolution(s) in relation to the Adjusted Non-public Issuance of A Shares under general mandate. A circular containing, among other things, details of the Adjusted Non-public Issuance of A Shares under the general mandate, the Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription, the Bright Food Group Subscription and the Shanghai Electric Group Subscription, together with the notice of the extraordinary general meeting, will be despatched to the Shareholders in due course.

**Since the completion of the Adjusted Non-public Issuance of A Shares under the general mandate, the Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription, the Bright Food Group Subscription, and the Shanghai Electric Group Subscription are subject to the fulfillment of certain conditions, the Adjusted Non-public Issuance of A Shares under the general mandate, the Shanghai Guosheng Group Subscription, the Shanghai Haiyan Investment Subscription, the Bright Food Group Subscription and the Shanghai Electric Group Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“A Share(s)”	domestic shares of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi and are listed for trading on the Shanghai Stock Exchange
“Adjusted Non-public Issuance of A Shares”	the proposed issuance of no more than 1,618,426,236 (inclusive) A Shares by the Company to no more than 35 (inclusive) specific target subscribers, including Shanghai Guosheng Group, Shanghai Haiyan Investment, Bright Food Group, and Shanghai Electric Group to raise gross proceeds of no more than RMB20.0 billion
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Average Trading Price”	the average trading price of the A Shares during the 20 trading days immediately preceding the Pricing Benchmark Date, which is calculated by dividing the total trading amount of the A Shares during the 20 trading days immediately preceding the Pricing Benchmark Date by the total trading volume of the A Shares during the 20 trading days immediately preceding the Pricing Benchmark Date
“Board” or “Board of Directors”	the board of directors of the Company
“Bright Food Group”	Bright Food (Group) Co., Ltd., an existing shareholder of the Company, holding approximately 3.5% equity interest in the total issued share capital of the Company
“Bright Food Group Subscription”	the proposed subscription of A Shares of the Company by Bright Food Group pursuant to the Bright Food Group Subscription Agreement
“Bright Food Group Subscription Agreement”	the share subscription agreement dated 25 April 2019 subject to conditions precedent, entered into between the Company and Bright Food Group, pursuant to which Bright Food Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate, for an amount of not less than RMB800 million (inclusive) and not more than RMB1 billion (inclusive)
“Supplemental Agreement to Bright Food Group Subscription Agreement”	the supplemental agreement to Bright Food Group Subscription Agreement dated 25 February 2020 entered into between the Company and Bright Food Group

“Company”	Haitong Securities Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange under the stock code of 6837 and the A Shares of which are listed on the Shanghai Stock Exchange under the stock code of 600837
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issue Date”	the proposed date on which the A Shares are issued under the Adjusted Non-public Issuance of A Shares
“PRC” or “China”	the People’s Republic of China, but for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Pricing Benchmark Date”	the first day of the offering period of the A Shares under the Adjusted Non-public Issuance of A Shares
“Proposed Non-public Issuance of A Shares”	the proposed non-public issuance of no more than 1,618,426,236 (inclusive) A Shares by the Company to no more than 10 specific target subscribers under the general mandate to raise gross proceeds of no more than RMB20.0 billion, which was approved by the 2017 annual general meeting held on 21 June 2018 and the 2018 annual general meeting held on 18 June 2019
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shanghai Electric Group”	Shanghai Electric (Group) Corporation, an existing shareholder of the Company, holding approximately 2.23% equity interest in the total issued share capital of the Company



“Shanghai Electric Group Subscription”	the proposed subscription of A Shares of the Company by Shanghai Electric Group pursuant to the Shanghai Electric Group Subscription Agreement
“Shanghai Electric Group Subscription Agreement”	the share subscription agreement dated 25 April 2019 subject to conditions precedent, entered into between the Company and Shanghai Electric Group, pursuant to which Shanghai Electric Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate, for an amount of not less than RMB1 billion (inclusive)
“Supplemental Agreement to Shanghai Guosheng Group Subscription Agreement”	the supplemental agreement to Shanghai Guosheng Group Subscription Agreement dated 25 February 2020 entered into between the Company and Shanghai Guosheng Group
“Shanghai Guosheng Group”	Shanghai Guosheng (Group) Co., Ltd., an existing shareholder of the Company, holding approximately 4.99% equity interest in the total issued share capital of the Company
“Shanghai Guosheng Group Subscription”	the proposed subscription of A Shares of the Company by Shanghai Guosheng Group pursuant to the Shanghai Guosheng Group Subscription Agreement
“Shanghai Guosheng Group Subscription Agreement”	the share subscription agreement dated 25 April 2019 subject to conditions precedent, entered into between the Company and Shanghai Guosheng Group, pursuant to which Shanghai Guosheng Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate for an amount of RMB10 billion
“Supplemental Agreement to Shanghai Guosheng Group Subscription Agreement”	the supplemental agreement to Shanghai Guosheng Group Subscription Agreement dated 25 February 2020 entered into between the Company and Shanghai Guosheng Group
“Shanghai Haiyan Investment”	Shanghai Haiyan Investment Management Company Limited, an existing shareholder of the Company, holding approximately 3.48% equity interest in the total issued share capital of the Company
“Shanghai Haiyan Investment Subscription”	the proposed subscription of A Shares of the Company by Shanghai Haiyan Investment pursuant to the Shanghai Haiyan Investment Subscription Agreement

“Shanghai Haiyan Investment Subscription Agreement”	the share subscription agreement dated 25 April 2019 subject to conditions precedent, entered into between the Company and Shanghai Haiyan Investment, pursuant to which Shanghai Haiyan Investment has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue A Shares under the Adjusted Non-public Issuance of A Shares under the general mandate, for an amount of not more than RMB3 billion (inclusive)
“Supplemental Agreement to Shanghai Haiyan Investment Subscription Agreement”	the supplemental agreement to Shanghai Haiyan Investment Subscription Agreement dated 25 February 2020 entered into between the Company and Shanghai Haiyan Investment
“Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company, including A Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company, including holder(s) of H Shares and holder(s) of A Shares

By Order of the Board  
**Haitong Securities Co., Ltd.**  
**ZHOU JIE**  
*Chairman*

Shanghai, the PRC 25 February 2020

*As at the date of this announcement, the executive directors of the Company are Mr. ZHOU Jie, Mr. QU Qiuping and Mr. REN Peng; the non-executive directors of the Company are Mr. TU Xuanxuan, Ms. YU Liping, Mr. CHEN Bin and Mr. XU Jianguo; and the independent non-executive directors of the Company are Mr. ZHANG Ming, Dr. LAM Lee G., Mr. ZHU Hongchao and Mr. ZHOU Yu.*

\* *For identification purpose only*