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海通证券股份有限公司
HAITONG SECURITIES CO., LTD.*

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

ANNOUNCEMENT ON THE ISSUANCE RESULTS OF THE NON-PUBLIC ISSUANCE OF A SHARES AND CHANGES IN SHARE CAPITAL

References are made to the announcement of Haitong Securities Co., Ltd. (the “**Company**”) dated 26 April 2018 regarding proposed non-public issuance of A Shares under general mandate; the circular dated 31 May 2018 for the 2017 annual general meeting; the poll result announcement of the 2017 annual general meeting dated 21 June 2018 the announcement dated 25 April 2019 regarding proposed adjustments to the non-public issuance of A Shares under the general mandate and proposed subscription of A Shares by existing shareholders; the circular dated 28 May 2019 for the 2018 annual general meeting; the poll result announcement of the 2018 annual general meeting dated 18 June 2019; the announcement dated 18 July 2019 in relation to acceptance of the application for non-public issuance of A Shares by the China Securities Regulatory Commission the (“**CSRC**”); the announcement dated 6 December 2019 in relation to approval of the application for non-public issuance of A Shares by Public Offering Review Committee of the CSRC; the announcement dated 25 February 2020 regarding the proposed adjustments to the non-public issuance of A Shares under the general mandate and proposed entering into the supplement agreements to subscribe A Shares by existing shareholders; the circular dated 24 March 2020 for the extraordinary general meeting regarding the proposed adjustments to the non-public issuance A Shares under the general mandate; the poll result announcement of the extraordinary general meeting of 2020 dated 15 April 2020 regarding (among others) the proposed adjustments to the non-public issuance A Shares under the general mandate; and the announcement dated 9 June 2020 in relation to approval by the CSRC on non-public issuance of A Shares. Unless otherwise defined herein, terms used in this announcement shall have the same meanings as defined in the abovementioned announcements and circulars.

The Board is pleased to announce that, on 5 August 2020, the Company completed the non-public issuance of new A shares (the “**Non-public Issuance of A Shares**”). Details are as follows:

I. OVERVIEW OF THE NON-PUBLIC ISSUANCE OF A SHARES

1. Summary of the Non-public Issuance of A Shares

Under the Non-public Issuance of A Shares, the Company non-publicly issued 1,562,500,000 Renminbi-denominated ordinary shares (A Shares) to a total of 13 specific target subscribers. The total amount of raised proceeds is RMB20,000,000,000. After deducting the relevant issuance expenses, it is planned to be utilized as project development funds to “develop capital-based intermediary business and further enhance financial services capabilities”, “increase FICC investment and optimize the structure of assets and liabilities”, “increase investment in information system construction and enhance the overall informatization level of the Company”, “increase capital injection to investment banking business and further promote the development of investment banking business” and “replenish working capital”.

2. Procedures performed which are relating to the Non-public Issuance of A Shares

2.1 Internal decision-making procedures performed by the Company

On 26 April 2018, the Company convened the 30th meeting of the sixth session of the Board, where the resolution regarding compliance of the company with conditions of non-public issuance of A Shares, the resolution regarding the plan of non-public issuance of A Shares of the Company, the resolution regarding the proposal for non-public issuance of A Shares of the Company, the resolution regarding the feasibility report on the use of proceeds from the non-public issuance of A Shares of the Company, the resolution regarding the special report and audit report on the use of proceeds from previous fundraising activities of the Company, the resolution regarding the dilution of current returns as a result of the non-public issuance of A Shares of the Company and the remedial measures, the resolution regarding the authorisation by the general meeting granted to authorise the board of directors of the Company and the delegation by the board of directors to the management personnel to deal with matters relating to the non-public issuance of A Shares of the Company, the resolution regarding the shareholders' return plan for the three years from 2018 to 2020 and other resolutions were considered and approved. Through such resolutions, the compliance of the Company with conditions of Non-public Issuance of A Shares, the class and nominal value of Shares issued under the issuance, the method of the issuance, target subscribers and subscription method, issuance price and pricing principle, number of shares to be issued, lock-up period, place of listing, arrangement for the retained profits, validity period of the resolution regarding the Issuance, use of proceeds and other matters were resolved.

On 21 June 2018, the Company convened the 2017 annual general meeting, where the voting was conducted by a combination of on-site voting and online voting. The resolutions regarding the issuance passed at the 30th meeting of the sixth session of the Board and the proposal regarding the authorisation granted to the board of directors of the Company and the delegation by the board of directors to the management personnel to deal with the matters relating to the Non-public Issuance of A shares of the Company were considered and approved.

On 25 April 2019, the Company convened the 37th meeting of the sixth session of the Board, where the resolution regarding compliance of the Company with conditions of non-public issuance of A Shares, the resolution regarding the adjustment to plan of non-public issuance of A Shares of the Company, the resolution regarding the execution of share subscription agreement with specific subscriber subject to conditions, the resolution regarding the revised proposal for non-public issuance of A Shares of the Company, the resolution regarding the revised feasibility report on the use of proceeds from the non-public issuance of A Shares of the Company, the resolution regarding the related party transactions involved in the non-public issuance of A Shares of the Company, the resolution regarding the dilution of current returns as a result of the non-public issuance of A Shares of the Company and the remedial measures (revised), the resolution regarding advising the general meeting to authorise the Board of Directors and the delegation by the Board of Directors to the management to deal with specific matters relating to the non-public issuance of A Shares of the Company and other resolutions were considered and approved. Through such resolutions, the revised plan of the non-public issuance and other matters were resolved.

On 18 June 2019, the Company convened the 2018 annual general meeting, where the voting was conducted by a combination of on-site voting and online voting. The resolutions regarding the issuance passed at the 37th meeting of the sixth session of the Board were considered and approved and full authority to handle the specific matters of the Non-public Issuance of A Shares was agreed to be granted to the board of the Company at the meeting.

On 25 February 2020, the Company convened the sixth meeting of the seventh session of the Board, where the resolution regarding compliance of the Company with conditions of non-public issuance of A Shares, the resolution regarding the adjustment to plan of non-public issuance of A Shares of the Company, the resolution regarding the supplemental agreements to the subscription agreements with conditions precedent with specific subscribers, the resolution regarding the proposal on the non-public issue of A Shares of the Company (second revision proof), the resolution regarding the related party transactions involved in the non-public issuance of A Shares of the Company, the resolution regarding the dilution of current returns of the non-public issuance of A Shares of the Company and the remedial measures (second revision proof), the resolution regarding the grant of authorisation by the general meeting to the Board and the delegation of powers by the Board to the management to deal with all matters relating to the non-public issue of A Shares of the Company and other resolutions were considered and approved. Through such resolutions, the revised plan of the non-public issuance and other matters were resolved.

On 15 April 2020, the Company convened the 2020 first extraordinary general meeting, where the voting was conducted by a combination of on-site voting and online voting. The resolutions regarding the issuance passed at the sixth meeting of the seventh session of the Board and the proposal regarding the authorization granted to the board of directors of the Company and the delegation by the board of directors to the management personnel to deal with the matters relating to the Non-public Issuance of A shares of the Company were considered and approved.

2.2 Review procedures of the regulatory authorities

On 1 July 2019, the Department of Fund and Intermediary Supervision of CSRC issued the Supervisory Opinions Regarding the Non-public Issuance of A Shares by Haitong Securities Co., Ltd. (Ji Gou Bu Han [2019] No. 1657), indicating no objection to the application for the Non-public Issuance of Shares by the Company.

On 6 December 2019, the Public Offering Review Committee of CSRC reviewed the application for the Non-public Issuance of Shares by the Company. According to the review results, the application for the Non-public Issuance of A Shares by the Company was approved.

On 8 June 2020, the Company received the “Approval in relation to the Non-public Issuance of A Shares by Haitong Securities Co., Ltd.” (Zheng Jian Xu Ke [2020] No. 1038) issued by the CSRC, which approved the application for the Non-public Issuance of A Shares by the Company. At the same time, Shanghai Guosheng Group was granted the approval of shareholder qualification.

2.3 Details of the Non-public Issuance of A Shares

- 1) Issuance method: Non-public Issuance of A Shares to specific target subscribers
- 2) Class of shares issued: A Shares
- 3) Nominal value per share: RMB1.00
- 4) Number of shares issued: 1,562,500,000
- 5) Issuance price: RMB12.80/share, representing 87.25% of the average trading price of RMB14.67/A Share for the 20 trading days preceding the pricing benchmark date under the Non-public Issuance of A Shares, being 15 July 2020.
- 6) Total amount of raised proceeds: RMB20,000,000,000
- 7) Issuance expenses (including underwriting fees, accounting fees, legal fees, etc.): RMB151,063,522.16 (excluding VAT)
- 8) Net proceeds: RMB19,848,936,477.84
- 9) Sponsor (joint lead underwriter): CSC Financial Co., Ltd. (“**CSC Financial**”)
- 10) Joint lead underwriters: China Merchants Securities Co., Ltd. (“**China Merchants Securities**”), Dongxing Securities Co., Ltd. (“**Dong Xing Securities**”), Tebon Securities Co., Ltd. (“**Tebon Securities**”), HSBC Qianhai Securities Limited (“**HSBC Qianhai Securities**”), China Development Bank Securities Company Limited (“**China Development Bank Securities**”)

2.4 Capital verification of the proceeds raised and registration of shares

On 29 July 2020, Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) issued the Capital Verification Report (De Shi Bao (Yan) Zi (20) No. 00354) in respect of the receipt of the proceeds raised from the Non-public Issuance of A Shares to confirm the receipt of the raised proceeds. According to the Capital Verification Report, as of 27 July 2020, the Company has issued 1,562,500,000 Renminbi-denominated ordinary shares (A Shares), and the subscribers have respectively transferred the subscription amounts of RMB20,000,000,000.00 in total into the bank account designated by CSC Financial. After the deduction of issuance expenses of RMB151,063,522.16 (excluding VAT), the net proceeds raised amounted to RMB19,848,936,477.84.

Registration, custody and other matters relating to the A Shares under the Non-public Issuance of A Shares were completed at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 5 August 2020.

2.5 Situation of Asset Transfer

The Non-public Issuance of A Shares adopt cash subscription while asset transfer is not applicable.

2.6 Conclusion of the sponsor (joint lead underwriter), joint lead underwriters and legal advisor in relation to compliance of the issuance process and subscribers of the Non-public Issuance of A Shares

1) Conclusion of the sponsor (joint lead underwriter) and joint lead underwriters in relation to compliance of the issuance process and subscribers of the Non-public Issuance of A Shares

CSC Financial, the sponsor (joint lead underwriter), and China Merchants Securities Co., Ltd., Dongxing Securities Co., Ltd., Tebon Securities Co., Ltd., HSBC Qianhai Securities Co., Ltd. and China Development Bank Securities Co., Ltd., the joint lead underwriters of the Non-public Issuance of A Shares considered that:

- (1) The Non-public Issuance of A Shares obtained all necessary authorisations and was approved by the CSRC;
- (2) The Non-public Issuance of A Shares complies with the Administrative Measures for Issuance of Securities by Listed Companies (上市公司證券發行管理辦法), 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 Measures of Securities Issuance and Underwriting Management (證券發行與承銷管理辦法), the Provisions on the Administration of Equity Ownership of Securities Companies (證券公司股權管理規定) and other relevant laws and regulations, and is legal and valid;
- (3) The selection of the subscribers for the Non-public Issuance of A Shares is in the interests of the Company and its shareholders as a whole, and conforms to the relevant requirements in respect of the subscribers provided in the issuance plan considered and approved at the general meeting of the Company; and
- (4) The Non-public Issuance of A Shares complies with the Administrative Measures for Issuance of Securities by Listed Companies, the Implementation Rules for Non-public Issuance of Shares by Listed Companies, the Provisions on the Administration of Equities of Securities Companies and other relevant laws, regulations and regulatory documents, and the issuance process of the Non-public Issuance of A Shares is legal and valid.
- (5) The Non-public Issuance complies with the relevant requirements under the issuance plan filed with the CSRC.

2) *Conclusion of the legal advisor in relation to compliance of the issuance process and subscribers of the Non-public Issuance of A Shares*

Grandall Law Firm (Shanghai), the lawyer of the Company considered that:

The Company obtained all necessary authorisations, permits and approvals in respect of the Non-public Issuance of A Shares. The price inquiry, placement process and subscribers, source of subscription amounts and lock-up period under the Non-public Issuance of A Shares comply with the Administrative Measures for Issuance of Securities by Listed Companies, the Implementation Rules for Non-public Issuance of Shares by Listed Companies, the Provisions on the Administration of Equity Ownership of Securities Companies and other relevant laws, regulations and regulatory documents. The relevant legal documents involved in the price inquiry and placement process of the Company are true, legal and valid.

II. OVERVIEW OF THE ISSUANCE RESULTS AND TARGET SUBSCRIBERS

1. Issuance Results

The total number of shares issued under the Non-public Issuance of A Shares is 1,562,500,000 shares, which does not exceed the upper limit approved by the CSRC. The total number of target subscribers is 13, which does not exceed 35 as limited by the Implementation Rules for Non-public Issuance of Shares by Listed Companies. The final target subscribers and the number of shares placed to them are as follows:

No.	Target subscribers	Number of shares placed (shares)	Placing amount (RMB)	Lock-up period (month)
1	Shanghai Guosheng (Group) Co., Ltd.	781,250,000	10,000,000,000.00	48
2	Shanghai Haiyan Investment Management Company Limited	234,375,000	3,000,000,000.00	18
3	Shanghai Electric (Group) Corporation	78,203,125	1,001,000,000.00	18
4	Bright Food (Group) Co., Ltd.	78,125,000	1,000,000,000.00	18
5	UBS AG	116,406,250	1,490,000,000.00	6
6	Harvest Global Investments Limited	62,890,625	805,000,000.00	6
7	China Huarong Asset Management Co., Ltd.	39,062,500	500,000,000.00	6
8	Shanghai Lansheng Corporation	39,062,500	500,000,000.00	6
9	Shanghai Chengtou Holdings Co., Ltd.	35,156,250	450,000,000.00	6
10	Fuanda Fund Management Co., Ltd.	31,250,000	400,000,000.00	6
11	JPMorgan Chase Bank, National Association	27,734,375	355,000,000.00	6
12	Qilu Zhongtai Private Equity Management Co., Ltd. (齊魯中泰私募基金管理有限公司)	23,359,375	299,000,000.00	6
13	Greater Bay Area Industry Finance Investment (Guangzhou) Co., Ltd. (灣區產融投資(廣州)有限公司)	15,625,000	200,000,000.00	6
Total		1,562,500,000	20,000,000,000.00	-

The new shares issued under the Non-public Issuance of A Shares have been registered in the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 5 August 2020. Under the Non-public Issuance of A Shares, the lock-up period for shares subscribed by Shanghai Guosheng Group is 48 months, the lock-up period for shares subscribed by Shanghai Haiyan Investment, Bright Food Group and Shanghai Electric Group is 18 months, and the lock-up period for shares subscribed by other investors is 6 months. The new shares issued under the Non-public Issuance of A Shares can be listed and traded on the Shanghai Stock Exchange on the next trading day upon expiration of the lock-up period (will be postponed to the next trading day if the day after the lock-up period is a national holiday or weekend).

2. Target Subscribers

The number of shares issued under the Non-public Issuance of A Shares is 1,562,500,000 shares, and the total number of target subscribers is 13. The details of the target subscribers are as follows:

1) *Shanghai Guosheng (Group) Co., Ltd.*

Type of enterprise:	limited liability company (wholly state-owned)
Domicile:	1/F, Building 3, No. 137, Xingfu Road, Changning District, Shanghai
Legal representative:	Shou Weiguang
Scope of business:	Engaging in non-financial, financial-assisted investments, capital operations and asset management, industrial research, and socio-economic consulting. (Projects subject to approval according to laws can be carried out only after obtaining the approval by relevant authorities)
Registered capital:	RMB20,066.0 million
Number of shares subscribed:	781,250,000 shares
Lock-up period:	48 months
Related/connected relationship:	After the completion of the Non-public Issuance of A Shares, Shanghai Guosheng Group is a shareholder holding more than 5% of the shares of the Company.

After the completion of the Non-public Issuance of A Shares, the business relationship between Shanghai Guosheng Group and the Company will not change. In case of a related party/connected transaction occurred between Shanghai Guosheng Group and the Company, it will be conducted in strict compliance with relevant laws, regulations, normative documents and the Company's internal management system.

2) ***Shanghai Haiyan Investment Management Company Limited***

Type of enterprise:	Limited liability company (wholly state-owned)
Domicile:	Room 318, Building 3, 717 Changyang Road, Yangpu District, Shanghai
Legal representative:	Chen Xuanmin
Scope of business:	Industrial investment (except for equity investment and equity investment management), investment management (except for equity investment and equity investment management), project management, asset management (except for equity investment and equity investment management), corporate management consulting (not allowed to engage in brokerage), domestic trade (except for special control). (Projects subject to approval according to laws can be carried out only after obtaining the approval by relevant authorities)
Registered capital:	RMB9,000 million
Number of shares subscribed:	234,375,000 shares
Lock-up period:	18 months
Related/connected relationship:	Shanghai Haiyan Investment is one of the top ten shareholders of circulating A Shares of the Company, Mr. Chen Bin, a former director of the Company, has served as the deputy general manager of Shanghai Haiyan Investment in the past 12 months, and Mr. Zhou Donghui, a director of the Company, has served as the general manager of Shanghai Haiyan Investment.

The Company has fully disclosed the existing related parties, related relationships and related party transactions in the periodic reports and temporary announcements. The related party transactions are all related to the operational needs, and are compensation for equal value behaviors according to the fair market principle and the actual situation. The price is fair, does not deviate from comparable market prices, and the necessary procedures are fulfilled. Related party transactions do not affect the independence of the operations of listed companies, and there is no harm to the interests of the Company and minority shareholders, and will not have a significant impact on the normal operations and ongoing operations of the Company.

After the completion of the Non-public Issuance of A Shares, the business relationship between Shanghai Haiyan Investment and the Company will not change. In case of a related party/connected transaction occurred between Shanghai Haiyan Investment and the Company, they will strictly comply with relevant laws, regulations, normative documents and internal management system.

3) *Shanghai Electric (Group) Corporation*

Type of enterprise:	Wholly people-owned
Domicile:	110 Sichuan Middle Road, Shanghai
Legal representative:	Zheng Jianhua
Scope of business:	General contracting of power engineering projects, complete set or split equipment, overseas contracted labor, industrial investment, manufacturing and sales of mechanical and electrical products and equipment in related industries, providing relevant technical consulting and training for domestic and export projects, operation and management of state-owned assets within the scope authorised by the Municipal State-owned Assets Supervision and Administration Commission, domestic trade (except for special provisions), design, production, agency and release of various types of advertising. (Projects subject to approval according to laws can be carried out only after obtaining the approval by relevant authorities)
Registered capital:	RMB9,180.366 million
Number of shares subscribed:	78,203,125 shares
Lock-up period:	18 months
Related/connected relationship:	None
Major transactions (if any) between Shanghai Electric Group and its controlling shareholders, <i>de facto</i> controllers and the Company have been disclosed and announced.	

4) *Bright Food (Group) Co., Ltd.*

Type of enterprise:	Other limited liability company
Domicile:	No. 7, Lane 263, Huashan Road, Shanghai
Legal representative:	Shi Mingfang
Scope of business:	Food sales management (non-physical methods), operation and management of state-owned assets, industrial investment, agriculture, forestry, animal husbandry, fishery, water conservancy and other service industries, domestic commercial wholesale and retail (except for special provisions), engaged in import and export of goods and technology, property brokerage, exhibition services. (Projects subject to approval according to laws can be carried out only after obtaining such approval by relevant authorities)
Registered capital:	RMB4,936.587615 million
Number of shares subscribed:	78,125,000 shares
Lock-up period:	18 months
Related/connected relationship:	Bright Food Group is one of the top ten shareholders of circulating A Shares of the Company, and Ms. Yu Liping, a director of the Company, currently serves as the vice president of Bright Food Group.

The Company has fully disclosed the existing related parties, related relationships and related party transactions in the periodic reports and temporary announcements. The related party transactions are all related to the operational needs, and are compensation for equal value behaviors according to the fair market principle and the actual situation. The price is fair, does not deviate from comparable market prices, and the necessary procedures are fulfilled. Related party transactions do not affect the independence of the operations of listed companies, and there is no harm to the interests of the Company and minority shareholders, and will not have a significant impact on the normal operations and ongoing operations of the Company.

After the completion of the Non-public Issuance of A Shares, the business relationship between Bright Food Group and the Company will not change. In case of a related party/connected transaction occurred between Bright Food Group and the Company, they will strictly comply with relevant laws, regulations, normative documents and internal management system.

5) UBS AG

Type of enterprise: Qualified foreign institutional investor

Domicile: Bahnhofstrasse 45, 8001 Zurich, Switzerland, and
Aeschenvorstadt 1, 4051 Basel, Switzerland

Ref: QF2003EUS001

Number of shares subscribed: 116,406,250 shares

Lock-up period: 6 months

Related/connected relationship: None (Independent Third Party)

The target subscriber did not have any major transactions with the Company over the last year.

6) Harvest Global Investments Limited

Type of enterprise: Private company limited

Domicile: 31/F., One Exchange Square, 8 Connaught Place,
Central, Hong Kong

Ref: 39816422-000-09-19-3

Legal representative: Guan Zihong

Number of shares subscribed: 62,890,625 shares

Lock-up period: 6 months

Related/connected relationship: None (Independent Third Party)

The target subscriber did not have any major transactions with the Company over the last year.

7) *China Huarong Asset Management Co., Ltd.*

Type of enterprise:	Other joint stock limited company (listed)
Domicile:	No. 8 Financial Street, Xicheng District, Beijing
Legal representative:	Wang Zhanfeng
Business scope:	Acquiring and being entrusted to manage, invest and dispose of both financial and non-financial institution distressed assets, including debt-to-equity swap assets; investment; securities dealing; financial bonds issuance, inter-bank borrowing and lending, commercial financing for other financial institutions; bankruptcy management; consulting and advisory business on finance, investment, legal and risk management; assets and project evaluation; approved asset securitisation business, financial institutions custody, closing and liquidation of business and other businesses approved by the banking regulatory authority of the State Council. (The enterprise shall select and commence business and operation at its discretion in accordance with the law; for projects subject to approval according to laws can be carried out only after obtaining the approval by relevant authorities; it is not allowed to engage in business classified as prohibited or restricted business by industrial policies of the city where it is located)
Registered capital:	RMB39,070.208462 million
Number of shares subscribed:	39,062,500 shares
Lock-up period:	6 months
Related/connected relationship:	None (Independent Third Party)

The target subscriber did not have any major transactions with the Company over the last year.

8) *Shanghai Lansheng Corporation*

Type of enterprise:	Other joint stock limited company (listed)
Domicile:	Suite 2602, 161 East Lujiazui Road, Pudong New District, Shanghai, PRC
Legal representative:	Cao Wei
Business scope:	Self-operation of and acting as agent for the import and export of various types of commodities and technologies, domestic trade (except for special provisions), industrial investment and asset management, warehousing, technical services in the professional field of trade and business consulting. (Projects subject to approval according to laws can be carried out only after obtaining the approval by relevant authorities)
Registered capital:	RMB420.642288 million
Number of shares subscribed:	39,062,500 shares
Lock-up period:	6 months
Related/connected relationship:	None (Independent Third Party)

The target subscriber did not have any major transactions with the Company over the last year.

9) *Shanghai Chengtou Holding Co., Ltd.*

Type of enterprise:	Joint stock company with limited liability (listed joint venture in Taiwan, Hong Kong, Macau and the PRC)
Domicile:	No. 1540 Beiai Road, Pudong New District, Shanghai
Legal representative:	Dai Guangming
Business scope:	Industrial investment, raw water supply, tap water development, sewage treatment, sewage treatment and transportation, operation and maintenance of water supply and drainage facilities, construction of water supply and drainage engineering, manufacturing and installation of mechanical and electrical equipment, consulting and services of technical development, drinking water and equipment, drinking water engineering installation and consulting services. (Projects subject to approval according to laws can be carried out only after obtaining the approval by relevant authorities)
Registered capital:	RMB2,529.575634 million
Number of shares subscribed:	35,156,250 shares
Lock-up period:	6 months
Related/connected relationship:	None (Independent Third Party)
The target subscriber did not have any major transactions with the Company over the last year.	

10) Fuanda Fund Management Co., Ltd.

Type of enterprise:	Limited liability company (state-controlled)
Domicile:	No. 1568 29/F, No. 100 Century Avenue, Pilot Free Trade Zone, Shanghai, PRC
Legal representative:	Jiang Xiaogang
Business scope:	Fundraising, fund sales, assets management and other business permitted by the CSRC. (Projects subject to approval according to laws can be carried out only after obtaining the approval by relevant authorities)
Registered capital:	RMB818.00 million
Number of shares subscribed:	31,250,000 shares
Lock-up period:	6 months
Related/connected relationship:	None (Independent Third Party)

The target subscriber did not have any major transactions with the Company over the last year.

11) JPMorgan Chase Bank, National Association

Type of enterprise:	Qualified foreign institutional investor
Domicile:	No. 25 Bank Street, Canary Wharf, London E14 5JP
Ref:	QF2016EUS309
Number of shares subscribed:	27,734,375 shares
Lock-up period:	6 months
Related/connected relationship:	None (Independent Third Party)

The target subscriber did not have any major transactions with the Company over the last year.

12) Qilu Zhongtai Private Equity Management Co., Ltd. (齊魯中泰私募基金管理有限公司)

Type of enterprise:	Other limited liability company
Domicile:	Suite 604, Building 1, No.877, Lijiang West Road, Huangdao District, Qingdao City, Shandong Province
Legal representative:	Liu Yuxing
Business scope:	Foreign investment and asset management, consulting services (excluding securities and futures consultancy) within the scope prescribed by laws and regulations (without the approval of financial regulatory authorities, it may not be engaged in financial businesses such as deposit-taking, financing guarantee and entrusted wealth management for clients) (Projects subject to approval according to laws can be carried out only after obtaining the approval by relevant authorities).
Registered capital:	RMB300.00 million
Number of shares subscribed:	23,359,375 shares
Lock-up period:	6 months
Related/connected relationship:	None (Independent Third Party)

The target subscriber did not have any major transactions with the Company over the last year.

13) Bay Area Industry Finance Investment (Guangzhou) Co., Ltd. (灣區產融投資(廣州)有限公司)

Type of enterprise:	Limited liability company (investment by foreign investment company)
Domicile:	No. 2007, Building 2, No. 1, Sanheng Zhong Road, Dongkeng, Xintang Town, Zengcheng District, Guangzhou
Legal representative:	Deng Lixin
Business scope:	Project investment (excluding licensed operations, and operating activities forbidden by laws and regulations are prohibited), corporate finance advisory services, investment advisory services, investment with self-owned funds and real estate investments (excluding licensed operations, and operating activities forbidden by laws and regulations are prohibited).
Registered capital:	RMB1,000.00 million
Number of shares subscribed:	15,625,000 shares
Lock-up period:	6 months
Related/connected relationship:	None (Independent Third Party)

The target subscriber did not have any major transactions with the Company over the last year.

As of the date of this announcement, except that Shanghai Guosheng (Group) Co., Ltd., Bright Food (Group) Co., Ltd., Shanghai Haiyan Investment Management Company Limited and Shanghai Electric Group Corporation are the Company's shareholders, other target subscribers are the independent third parties of the Company.

III. CHANGES IN THE TOP TEN SHAREHOLDERS OF THE COMPANY BEFORE AND AFTER THE NON-PUBLIC ISSUANCE OF A SHARES

1. The top 10 shareholders of the Company before the Non-public Issuance of A Shares

As of 31 March 2020, the shareholdings of the top ten shareholders of the Company are as follows:

No.	Name of shareholders	Number of shares held (Shares)	Shareholding percentage (%)	Nature of shareholders	Number of shares subject to selling restrictions (Shares)
1	Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”)	3,408,863,895	29.64%	Foreign legal person	–
2	Bright Food (Group) Co., Ltd.	402,150,000	3.50%	State-owned legal person	–
3	Shanghai Haiyan Investment Management Company Limited	400,709,623	3.48%	State-owned legal person	–
4	China Securities Finance Corporation Limited	343,901,259	2.99%	Other	–
5	Shenergy Group Company Limited	322,162,086	2.80%	State-owned legal person	–
6	Shanghai Electric (Group) Corporation	263,046,293	2.29%	State	–
7	Shanghai Guosheng Group Assets Co., Ltd.	238,382,008	2.07%	State-owned legal person	–
8	Shanghai Jiushi (Group) Co., Ltd.	235,247,280	2.05%	State-owned legal person	–
9	Shanghai Bailian Group Co., Ltd.	214,471,652	1.86%	State-owned legal person	–
10	Shanghai United Media Group	148,524,653	1.29%	State-owned legal person	–
Total		5,977,458,749	51.97%	–	–

2. The top 10 shareholders of the Company after the Non-public Issuance of A Shares

As of 5 August 2020 (the share registration date), the shareholdings of the top ten shareholders of the Company are as the following:

No.	Name of shareholders	Number of shares held (Shares)	Shareholding percentage (%)	Nature of shareholders	Number of shares subject to selling restrictions (Shares)
1	Hong Kong Securities Clearing Company Nominees Limited	3,408,815,895	26.09%	Foreign legal person	–
2	Shanghai Guosheng Group Co., Ltd. (上海國盛(集團)有限公司)	862,489,059	6.60%	State-owned legal person	781,250,000
3	Shanghai Haiyan Investment Management Company Limited	635,084,623	4.86%	State-owned legal person	234,375,000
4	Bright Food (Group) Co., Ltd.	480,275,000	3.68%	State-owned legal person	78,125,000
5	China Securities Finance Corporation Limited	343,901,259	2.63%	Other	–
6	Shenergy Group Company Limited	322,162,086	2.47%	State-owned legal person	–
7	Shanghai Electric (Group) Corporation	290,516,418	2.22%	State	78,203,125
8	Shanghai Guosheng Group Assets Co., Ltd.	238,382,008	1.82%	State-owned legal person	–
9	Shanghai Jiushi (Group) Co., Ltd.	235,247,280	1.80%	State-owned legal person	–
10	Shanghai Bailian Group Co., Ltd.	214,471,652	1.64%	State-owned legal person	–
Total		7,031,345,280	53.81%	–	1,171,953,125

Notes 1: In the table above, the shares held by HKSCC Nominees Limited are foreign shares listed overseas (H Shares) as of 31 July 2020 and the shares held by other shareholders are RMB denominated ordinary A Shares.

2: Shanghai Guosheng Group Co., Ltd. holds 255,456,441 H Shares of the Company through HKSCC Nominees Limited. Upon the completion of the Non-public Issuance of A Shares, Shanghai Guosheng Group Co., Ltd. and its subsidiary, Shanghai Guosheng Group Assets Co., Ltd. hold 1,100,871,067 A Shares and 255,456,441 H Shares of the Company, holding a total of 1,356,327,508 shares of the Company, representing a shareholding percentage of approximately 10.38%.

3. The impact of the Non-public Issuance of A Shares on the Company's control

Before and after the completion of the Non-public Issuance of A Shares, there is no change in the Company's controlling shareholders and *de facto* controller.

IV. CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE NON-PUBLIC ISSUANCE OF A SHARES

Upon the completion of the Non-public Issuance, the Company will increase 1,562,500,000 circulating shares subject to selling restrictions. The specific changes in shares are as follows:

Item	Before this change		Increase or decrease of this change New shares issued (Shares)	After this change	
	Number (Shares)	Percentage (%)		Number (Shares)	Percentage (%)
Circulating shares subject to selling restrictions					
RMB denominated ordinary shares	—	—	1,562,500,000	1,562,500,000	11.96%
Circulating shares not subject to selling restrictions					
RMB denominated ordinary shares (A Shares)	8,092,131,180	70.36	—	8,092,131,180	61.94
Domestic listed foreign shares (B Shares)	—	—	—	—	—
Foreign shares listed overseas (H Shares)	3,409,568,820	29.64	—	3,409,568,820	26.10
Others	—	—	—	—	—
Total number of circulating shares not subject to selling restrictions	11,501,700,000	100.00	—	11,501,700,000	88.04
Total number of shares	11,501,700,000	100.00	1,562,500,000	13,064,200,000	100.00

V. MANAGEMENT DISCUSSION AND ANALYSIS

1. Impact on the Company's asset structure

Upon the completion of the Non-public Issuance of A Shares, the Company's assets and net assets will increase substantially, the capital structure will be further optimised, the gearing ratio will be reduced, solvency will be enhanced, and financial risks will be improved.

2. Impact on the Company's business structure

The projects to be invested with the proceeds focus on the principal operations of the Company. The proceeds are intended to be applied to increase the Company's capital, replenish working capital, optimise the asset-liability structure, improve the Company's financial service industry chain and serve the real economy, which will be conducive to expand the capital scale of the Company, consolidate capital capability, capture the development opportunities of the capital market and the securities industry, build differentiated competitive edges, enhance risk resistance, and seize strategic opportunities for the Company in the increasingly fierce competition, in order to achieve the Company's long-term sustainable development and safeguard the shareholders' long-term benefits.

3. Impact on corporate governance

Before and after the completion of the Non-public Issuance of A Shares, there is no change in the Company's controlling shareholders and *de facto* controller, and no substantial impact on the corporate governance structure. The Company will maintain its integrity and independence in all respects from business, personnel, assets, finance to organization.

4. Impact on the structure of the senior management of the Company

The Non-public Issuance of A Shares will present no impact on the structure of the senior management of the Company. There are no significant changes in directors, supervisors, senior management of the Company due to the Non-public Issuance of A Shares.

5. Impact on the Company's intra-industry competition and related party/connected transactions

Upon the completion of the Non-public Issuance of A Shares, there is no change in the Company's controlling shareholders and *de facto* controller, and the Company will still maintain the independence of operation and management in accordance with the requirements of corporate governance.

Upon the completion of the Non-public Issuance of A Shares, if the target subscribers initiated related party/connected transactions with the Company, such transactions will be carried out in compliance with the "Listing Rules of shares on the Shanghai Stock Exchange", "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited", "Articles of Association" and other relevant regulations, and the Company will promptly perform its related information disclosure obligations.

VI. INFORMATION OF THE INSTITUTIONS RELATED TO THE NON-PUBLIC ISSUANCE OF A SHARES

1. Sponsor (joint lead underwriter): CSC Financial Co., Ltd.

Legal representative: Wang Changqing

Representatives of the sponsor: Chen Chang, Zhao Tao

Project coordinator: Zhao Xixun

Project team members: Chang Liang, Zhang Shiju, Wang Xuan, Han Fuyang

Domicile: Building 4, No. 66, Anli Road, Chaoyang District, Beijing

Telephone No.: 021-68824278

Facsimile No.: 021-68801551

2. Joint lead underwriters

1) China Merchants Securities Co. Ltd.

Legal representative: Huo Da

Project team members: Liu Xingde, Shi Yunliang, Wen Xiaojun, Zheng Zhi

Domicile: 26/F, China Merchants Securities Building, No. 111, Fuhuayuan Road, Futian District, Shenzhen

Telephone No.: 0755-83081350

Facsimile No.: 0755-83081361

2) Dongxing Securities Co., Ltd.

Legal representative: Wei Qinghua

Project team members: Yuan Hao, Han Xiao, Zhu Shubo

Domicile: 6/F, Tower B, Xincheng Plaza, No. 5, Financial Street, Xicheng District, Beijing

Telephone No.: 010-66553417

Facsimile No.: 010-66551380

3) *Tebon Securities Co., Ltd.*

Legal representative: Wu Xiaochun

Project team members: Liu Ping, Lao Xuming, Song Jianhua, Li Jun, Lu Shan, Pan Xinxin, Liu Han

Domicile: 18/F, UC Tower, No. 500, Fushan Road, Pudong New District, Shanghai

Telephone No.: 021-68761616

Facsimile No.: 021-68767880

4) *HSBC Qianhai Securities Limited*

Legal representative: He Shanwen

Project team members: Yan Hongfei, Xie Yawen, Zhang Nanxing, Wang Sumei, Qian Sirui, Guo Feiyu

Domicile: Units A & B, Block 27, Qianhai Enterprise Mansion, No. 63, Qianwan First Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, the PRC

Telephone No.: 0755-88983288

Facsimile No.: 0755-88983226

5) *China Development Bank Securities Company Limited*

Legal representative: Zhang Baorong

Project team members: Yang Zehuan, Yu Shenglin, Tian Jianqiao

Domicile: 1-9/F, No. 29, Fuchengmenwai Street, Xicheng District, Beijing

Telephone No.: 010-88300739

Facsimile No.: 010-88300793

3. Company's lawyer: Grandall Law Firm (Shanghai)

Person in charge: Li Qiang

Handling lawyers: Liu Wei, Song Pingping, Yaoyanwei

Correspondence address: 23-25/F, Garden Square, No. 968, West Beijing Road, Jing'an District, Shanghai

Telephone No.: 021-52341668

Facsimile No.: 021-52433323

4. Audit firm: Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership)

Person-in-charge of the audit firm: Fu Jianchao

Handling registered accountants: Hu Xiaojun, Gong Mingliang

Correspondence address: 30/F, No. 222, East Yan'an Road, Huangpu District, Shanghai

Telephone No.: 021-61412068

Facsimile No.: 021-63350177

VII. ATTACHMENTS OF UPLOADED ANNOUNCEMENTS

1. Capital Verification Report issued by Deloitte Touche Tohmatsu Huayong Certified Public Accountants LLP (Special General Partnership) in relation to the Issuance of A Shares of Haitong Securities Co., Ltd.;
2. Legal Opinion issued by Grandall Law Firm (Shanghai) in relation to the compliance of the issuance process and subscribers of the Issuance of Haitong Securities Co., Ltd.;
3. The report issued by the sponsor and joint lead underwriters in relation to the compliance of the issuance process and subscribers of the Non-Public Issuance of A Shares of Haitong Securities Co., Ltd.;
4. Report on the Non-Public Issuance of Haitong Securities Co., Ltd.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Company” or “Haitong Securities”	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 Exchange under the stock code of 6837 and the A Shares of which are listed on the Shanghai Stock under the stock code of 600837
“CSRC”	China Securities Regulatory Commission
“Independent Third Party”	an individual or a company who or which, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
“Non-Public Issuance of A Shares”	the non-public issuance of 1,562,500,000 A Shares by the Company to 13 target subscribers under the general mandate to raise gross proceeds of RMB20.0 billion

By order of the Board
Haitong Securities Co., Ltd.
ZHOU Jie
Chairman

Shanghai, the PRC
6 August 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, Mr. ZHOU Donghui, Ms. YU Liping and Mr. XU Jianguo; and the independent non-executive directors of the Company are Mr. ZHANG Ming, Mr. LAM Lee G., Mr. ZHU Hongchao and Mr. ZHOU Yu.

* *For identification purpose only*