

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**海通恆信國際融資租賃股份有限公司**

Haitong Unitrust International Financial Leasing Co., Ltd.

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

**(Stock code: 1905)**

## **CONTINUING CONNECTED TRANSACTIONS — BUSINESS REFERRAL FRAMEWORK AGREEMENT FINANCIAL SERVICE FRAMEWORK AGREEMENT AND FINANCIAL PRODUCTS INVESTMENT FRAMEWORK AGREEMENT**

### **FRAMEWORK AGREEMENTS**

The Board is pleased to announce that, on September 16, 2021, the Company entered into the (1) Business Referral Framework Agreement; (2) Financial Service Framework Agreement; and (3) Financial Products Investment Framework Agreement with Haitong Securities. The terms of each of the Business Referral Framework Agreement, Financial Service Framework Agreement and Financial Products Investment Framework Agreement are for three years from January 1, 2022 to December 31, 2024.

### **LISTING RULES IMPLICATIONS**

Haitong Securities is the ultimate Controlling Shareholder of the Company. Therefore, Haitong Securities is a connected person of the Company and the transactions contemplated under the Business Referral Framework Agreement, Financial Service Framework Agreement and Financial Products Investment Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio under each of the Business Referral Framework Agreement, Financial Service Framework Agreement and Financial Products Investment Framework Agreement under Rule 14.07 of the Listing Rules is higher than 0.1% but less than 5% on an annual basis, the transactions under the Business Referral Framework Agreement, Financial Service Framework Agreement and Financial Products Investment Framework Agreement are subject to reporting, announcement and annual review requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that, on September 16, 2021, the Company entered into the (1) Business Referral Framework Agreement; (2) Financial Service Framework Agreement; and (3) Financial Products Investment Framework Agreement with Haitong Securities. The terms of each of the Business Referral Framework Agreement, Financial Service Framework Agreement and Financial Products Investment Framework Agreement are for three years from January 1, 2022 to December 31, 2024.

## BUSINESS REFERRAL FRAMEWORK AGREEMENT

The principal terms of the Business Referral Framework Agreement are as follows:

Date: September 16, 2021

Parties: The Company

Haitong Securities

Term: Three years from January 1, 2022 to December 31, 2024

Major terms: The Business Referral Framework Agreement was entered into in respect of the business referral services provided by the Group, Haitong Securities and its Controlled Companies to each other and payment of service fees in return for such services to the other party.

The Business Referral Framework Agreement provides that all service fees shall be (i) negotiated on arm's length basis taking into consideration the types of customers referred, categories of projects, the extent of the participation of the referrer and other factors (ii) determined on normal commercial terms; and (iii) in compliance with, amongst others, the Hong Kong Listing Rules and applicable laws.

## Annual caps

The annual service fee to be paid by the Group to Haitong Securities and/or its Controlled Companies, or to be paid by Haitong Securities and/or its Controlled Companies to the Group for each of the three years ending December 31, 2022, 2023 and 2024 will not exceed the annual caps set out below:

	<b>Proposed annual caps</b>		
	<b>for the year ending December 31,</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB in millions)</i>		
Service fee to be paid by the Group to Haitong Securities and/or its Controlled Companies	17.2	20.6	24.8
Service fee to be paid by Haitong Securities and/or its Controlled Companies to the Group	2.8	3.4	4.1

The amount of service fee paid by the Group to Haitong Securities and its Controlled Companies for the two years ended December 31, 2019 and 2020 was approximately RMB4.5 million and RMB4.2 million, respectively. The amount of service fee paid by Haitong Securities and its Controlled Companies to the Group for the two years ended December 31, 2019 and 2020 was approximately RMB0.5 million and nil, respectively.

The proposed annual caps for the service fee to be paid by the Group to Haitong Securities and/or its Controlled Companies are determined based on: (i) the service fees for the previous financial years as stated above; (ii) the Group's business development plans for the coming three years; (iii) the future expansion of customer bases of the Group, Haitong Securities and its Controlled Companies; and (iv) the expected rates of referral fees taking into account the historical rates and the market rates.

The proposed annual caps for the service fee to be paid by Haitong Securities and/or its Controlled Companies to the Group are determined based on: (i) the Group's business development plans for the coming three years; (ii) the future expansion of customer bases of the Group; (iii) the potential customers to be referred to Haitong Securities and/or its Controlled Companies the Group has identified; and (iv) the expected referral fees taking into account the market rates of referral fees and the rates of referral fees to be paid by the Group to Haitong Securities and/or its Controlled Companies for referral service they provide.

# FINANCIAL SERVICE FRAMEWORK AGREEMENT

The principal terms of the Financial Service Framework Agreement are as follows:

Date: September 16, 2021

Parties: The Company

Haitong Securities

Term: Three years from January 1, 2022 to December 31, 2024

Major terms: Pursuant to the Financial Service Framework Agreement, Haitong Securities and its Controlled Companies shall provide financial services, including underwriting, sponsoring, asset management, consultancy services and liquidity support, to the Group, and the Group shall pay the financial service fees, including the underwriting fees, sponsoring fees, management fees, consultancy fees and/or commitment fees to Haitong Securities and its Controlled Companies.

The Financial Service Framework Agreement provides that all such services and fees shall be (i) in the ordinary and usual course of business of the Group and Haitong Securities and its Controlled Companies; and (ii) determined on an arm's length basis; and (iii) entered into on normal commercial terms; and (iv) in compliance with, amongst others, the Hong Kong Listing Rules and applicable laws.

## Annual caps

The annual service fee to be paid by the Group to Haitong Securities and/or its Controlled Companies for each of the three years ending December 31, 2022, 2023 and 2024 will not exceed the annual caps set out below:

<b>Proposed annual caps for the year ending December 31,</b>		
<b>2022</b>	<b>2023</b>	<b>2024</b>
<i>(RMB in millions)</i>		

Service fee to be paid by the Group to Haitong Securities and/or its Controlled Companies	150.0	175.0	205.0
---	-------	-------	-------

The amount of service fee paid by the Group to Haitong Securities and its Controlled Companies for the two years ended December 31, 2019 and 2020 was approximately RMB128.8 million and RMB83.4 million, respectively.

The proposed annual caps are determined based on: (i) the service fees for the previous financial years as stated above; (ii) the Group's financing arrangements and plans for the coming years, pursuant to which the Group intends to expand the offering sizes of direct financing, including issuing asset-backed securities schemes, corporate bonds, medium-term notes, short-term commercial papers and ultra-short-term commercial papers; (iii) the Group's business development plans for the coming three years; and (iv) the expected growth of the Group's financing needs in the coming three years and the corresponding demand for underwriting and asset management and other services.

## FINANCIAL PRODUCTS INVESTMENT FRAMEWORK AGREEMENT

The principal terms of the Financial Products Investment Framework Agreement are as follows:

Date: September 16, 2021

Parties: The Company

Haitong Securities

Term: Three years from January 1, 2022 to December 31, 2024

Major terms: Pursuant to the Financial Products Investment Framework Agreement, the Company may purchase currency funds, other wealth management products and issued income certificate products (the “**Financial Products**”) held by Haitong Securities and its Controlled Companies. The Financial Products Purchase Framework Agreement provides all the transactions and payments shall be (i) in the ordinary and usual course of business of the Group and Haitong Securities and its Controlled Companies; and (ii) determined on an arm's length basis; and (iii) entered into on normal commercial terms; and (iv) in compliance with, amongst others, the Hong Kong Listing Rules and applicable laws.

## Annual caps

The maximum daily balance of the Financial Products purchased by the Group from Haitong Securities and/or its Controlled Companies with respect to the connected transaction contemplated thereunder, and income to be paid by Haitong Securities and/or its Controlled Companies to the Group with respect to the connected transaction contemplated thereunder for each of the three years ending December 31, 2022, 2023 and 2024 will not exceed the annual caps set out below:

**Proposed annual caps  
for the year ending December 31,  
2022                      2023                      2024  
(RMB in millions)**

Maximum daily balance of the Financial Products purchased by the Group from Haitong Securities and/or its Controlled Companies with respect to the connected transaction contemplated thereunder	300.0	300.0	300.0
Income to be paid by Haitong Securities and/or its Controlled Companies to the Group with respect to the connected transaction contemplated thereunder	20.0	20.0	20.0

The maximum daily balance of the Financial Products purchased by the Group from Haitong Securities and its Controlled Companies with respect to the connected transaction contemplated thereunder for the two years ended December 31, 2019 and 2020 was nil and nil, respectively. The income paid by Haitong Securities and/or its Controlled Companies to the Group with respect to the connected transaction contemplated thereunder for the two years ended December 31, 2019 and 2020 was nil and nil, respectively.

The proposed annual caps are determined based on: (i) historical maximum balances of the Financial Products purchased by the Group and the income received as stated above; (ii) the expected utilization rate of funds in the Group's business operations and its expected trend over the coming three years; (iii) the Group's business development plans; (iv) the increase in the prevailing market interest rates; and (v) the expected rates of return of the Financial Products.

## INFORMATION ABOUT THE GROUP

The Company is principally engaged in the finance lease business, lease business, purchase of leased assets from both domestic and international suppliers, residual value disposal and maintenance of leased assets, advisory services and guarantee of lease transactions, commercial factoring business related to the main business and others as approved by relevant laws and regulations.

## **INFORMATION ABOUT HAITONG SECURITIES**

Haitong Securities is a company incorporated in the PRC in 1988 and listed on the Shanghai Stock Exchange (stock code of A share: 600837) and the Hong Kong Stock Exchange (stock code of H share: 6837) on July 31, 2007 and April 27, 2012, respectively. It is also a Controlling Shareholder of the Company. Haitong Securities and its subsidiaries are principally engaged in wealth management, investment banking, asset management, dealings and institutions, finance leasing and other businesses.

## **REASONS FOR ENTERING INTO THE TRANSACTIONS**

As disclosed in the Company's prospectus for its initial public offering dated May 21, 2019, on May 16, 2019, the Company entered into (i) a business referral framework agreement with Haitong Securities in respect of the business referral services provided by the Group, Haitong Securities and its Controlled Companies to each other and payment of service fees in return for such services to the other party; (ii) a financial service framework agreement with Haitong Securities, pursuant to which Haitong Securities and its Controlled Companies shall provide financial services, including underwriting, sponsoring and asset management services, to the Group, and the Company shall pay the underwriting, sponsoring and/or management fees to Haitong Securities and its Controlled Companies; and (iii) a framework agreement on the purchase of currency funds, income certificates and other financial products with Haitong Securities, pursuant to which the Company may purchase such financial products from Haitong Securities and its Controlled Companies. The term of these agreements will expire on December 31, 2021.

The Directors are of the view that the cooperation under the Business Referral Framework Agreement enables the Group and Haitong Securities and its Controlled Companies to capitalize on the respective high quality and broad customer bases and information resource platforms of each other to further expand the business and maximize the interests of the shareholders as a whole. By entering into the Financial Service Framework Agreement, Haitong Securities and its Controlled Companies can provide underwriting, sponsoring, asset management, consultancy services, liquidity support and other financial services in respect of the financing instruments issued by the Group, including asset management plans, debt securities, asset-backed securities schemes and income certificates. Furthermore, purchasing currency funds, other wealth management products, and issued income certificates held by third parties, including Haitong Securities and its Controlled Companies, under the Financial Products Investment Framework Agreement can improve the efficiency of funds utilization of the Group.

The Directors (including independent non-executive Directors) consider that the terms of the transactions under the Business Referral Framework Agreement, the Financial Service Framework Agreement and the Financial Products Investment Framework Agreement, are fair and reasonable, and that such transactions are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.



## LISTING RULES IMPLICATIONS

Haitong Securities is the ultimate Controlling Shareholder of the Company. Therefore, Haitong Securities is a connected person of the Company and the transactions contemplated under the Business Referral Framework Agreement, Financial Service Framework Agreement and Financial Products Investment Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio under each of the Business Referral Framework Agreement, Financial Service Framework Agreement and Financial Products Investment Framework Agreement under Rule 14.07 of the Listing Rules is higher than 0.1% but less than 5% on an annual basis, the transactions under the Business Referral Framework Agreement, Financial Service Framework Agreement and Financial Products Investment Framework Agreement are subject to reporting, announcement and annual review requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Among our Directors, Ren Peng, Wu Shukun and Zhang Shaohua have abstained from voting on the resolutions approving the Business Referral Framework Agreement, Financial Service Framework Agreement and Financial Products Investment Framework Agreement given their respective positions held in Haitong Securities. Save as disclosed above, no Directors have any material interests in the transactions and therefore, no other Directors have abstained from voting on such Board.

## DEFINITIONS

“Board”	the board of Directors of the Company
“Business Referral Framework Agreement”	the Business Referral Framework Agreement entered into between the Company and Haitong Securities on September 16, 2021
“Company”	Haitong Unitrust International Financial Leasing Co., Ltd. (海通恆信國際融資租賃股份有限公司), a company incorporated in the PRC in July 2004 and converted into a joint stock company with limited liability on May 27, 2017, the H shares of which are listed on the Stock Exchange with stock code 1905
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlled Companies”	companies in which Haitong Securities is entitled to exercise or control the exercise of 30% or more of the voting rights at general meetings of such companies



“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Financial Products Investment Framework Agreement”	the Financial Products Investment Framework Agreement entered into between the Company and Haitong Securities on September 16, 2021
“Financial Service Framework Agreement”	The Financial Service Framework Agreement entered into between the Company and Haitong Securities on September 16, 2021
“Group”	the Company and its subsidiaries
“Haitong Securities”	Haitong Securities Co., Ltd. (海通證券股份有限公司), a company incorporated in the PRC in August 1988, the H shares and A shares of which are listed on the Stock Exchange and Shanghai Stock Exchange, respectively, and the ultimate Controlling Shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

By order of the Board  
**Haitong Unitrust International Financial Leasing Co., Ltd.**  
**DING Xueqing**  
*Chairman*

Shanghai, the PRC  
September 16, 2021

*As at the date of this announcement, the Chairman and executive Director of the Company is Mr. DING Xueqing; the executive Director is Ms. ZHOU Jianli; the non-executive Directors are Mr. REN Peng, Ms. HA Erman, Mr. LI Chuan, Mr. WU Shukun and Mr. ZHANG Shaohua; and the independent non-executive Directors are Mr. JIANG Yulin, Mr. YAO Feng, Mr. ZENG Qingsheng, Mr. WU Yat Wai and Mr. YAN Lixin.*