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恒 投 證 券

HENGTOU SECURITIES

(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name “恒泰证券股份有限公司” and carrying on business in Hong Kong as “恒投證券” (in Chinese) and “HENGTOU SECURITIES” (in English))

(the “Company”)
(Stock Code: 01476)

CONNECTED TRANSACTIONS

TENANCY AGREEMENTS

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On 19 May 2022, the Group entered into the Tenancy Agreements with the Lessors, pursuant to which the Group agreed to lease the Premises from the Lessors for a term of one year commencing from 1 January 2022 to 31 December 2022.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, SASAC Xicheng District, through Finance Street Group, is interested in approximately 20.42% of the Company's total issued share capital, and therefore a substantial shareholder of the Company. Each of the Lessors, being a 30%-controlled company indirectly held by SASAC Xicheng District, is an associate of SASAC Xicheng District and therefore a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As such, the transactions contemplated under the Tenancy Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The Tenancy Agreements have been aggregated for the Listing Rules' purposes on the basis that they all relate to leasing Premises from the Lessors who are associates of SASAC Xicheng District.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the total rentals under the Tenancy Agreements exceed 0.1% but are less than 5%, the transactions contemplated under the Tenancy Agreements are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

On 19 May 2022, the Group entered into the Tenancy Agreements with the Lessors, pursuant to which the Group agreed to lease the Premises from the Lessors for a term of one year commencing from 1 January 2022 to 31 December 2022.

TENANCY AGREEMENTS

Details of the Tenancy Agreements are set out as below:

Date:	19 May 2022
Lessee:	Hengtai Changcai
Lessors:	Finance Street Xihuan Properties (Premise I) Jin Tong Tai (Premise II) Finance Street Properties (Premise III)
Term:	From 1 January 2022 to 31 December 2022
Total rentals:	Premise I: RMB3,106,788.84 Premise II: RMB3,145,365.60 Premise III: RMB43,200 Total: RMB6,295,354.44

The abovementioned rentals are determined between Hengtai Changcai and the Lessors after their arm's length negotiations with reference to the prevailing market prices with similar locations and sizes to the relevant properties.

Payment terms:	The rentals shall be payable by each quarter of the year.
Utility charges and other miscellaneous expenses:	Hengtai Changcai shall be responsible for all utility charges, management fees and other miscellaneous expenses incurred in using the Premises.

REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENTS

The Group has been leasing certain properties and parking lots in Beijing from the associates of SASAC Xicheng District for the Group's offices and/or business uses since 2015. Following the expiration of the relevant tenancy agreements and in order to avoid unnecessary disruptions to the Group's business, the Group entered into the Tenancy Agreements with the Lessors on 19 May 2022.

The Directors (including the independent non-executive Directors) considered that the Tenancy Agreements were entered into in the ordinary and usual course of business of the Group on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

According to the internal regulations relating to connected transactions of the Company, a Director who holds a position in a legal entity that can directly or indirectly control the counterparty of the connected transaction shall abstain from voting on the Board resolutions approving such transaction. Ms. Dong Hong, a non-executive Director, is a director of Finance Street Investment. Ms. Gao Liang, a non-executive Director, is the chairman of Finance Street Holdings. As the Lessors are 30%-controlled companies of SASAC Xicheng District, to avoid any potential conflict of interest, each of Ms. Dong Hong and Ms. Gao Liang (non-executive Directors) has abstained from voting on the Board resolutions approving the Tenancy Agreements and the transactions contemplated thereunder.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, SASAC Xicheng District, through Finance Street Group, is interested in approximately 20.42% of the Company's total issued share capital, and therefore a substantial shareholder of the Company. Each of the Lessors, being a 30%-controlled company indirectly held by SASAC Xicheng District, is an associate of SASAC Xicheng District and therefore a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As such, the transactions contemplated under the Tenancy Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The Tenancy Agreements have been aggregated for the Listing Rules' purposes on the basis that they all relate to leasing premises from the Lessors who are associates of SASAC Xicheng District.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the total rentals under the Tenancy Agreements exceed 0.1% but are less than 5%, the transactions contemplated under the Tenancy Agreements are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE GROUP AND THE LESSORS

The Company is principally engaged in the securities brokerage business. Hengtai Changcai is principally engaged in the securities underwriting and sponsoring business.

Finance Street Xihuan Properties is a subsidiary indirectly held by SASAC Xicheng District as to 90% of its total equity interest. It mainly engages in real estate development and the leasing of commercial and office buildings in Beijing, the PRC.

Jin Tong Tai is a wholly owned subsidiary of an entity indirectly held by SASAC Xicheng District as to over 50% of its total equity interest. It mainly engages in investment management, leasing of office buildings and the provision of ancillary facilities and property management services.

Finance Street Properties is indirectly held by SASAC Xicheng District as to 34.35% of its total share capital. It mainly engages in the provision of property management and related services to properties located at financial management centres at all levels nationwide.

DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“Board”	the board of Directors;
“Company”	Hengtou Securities (恒投證券), a joint stock company established in the PRC with limited liability on 28 December 1998 under the Chinese corporate name “恒泰证券股份有限公司” and carrying on business in Hong Kong as “恒投證券” (in Chinese) and “HENGTOU SECURITIES” (in English) and the shares of which are listed on the Stock Exchange (stock code: 01476);
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Finance Street Group”	collectively, Finance Street Xihuan Properties, Finance Street Investment and Huarong Infrastructure, all being subsidiaries of SASAC Xicheng District;

“Finance Street Holdings”	Financial Street Holdings Co., Ltd. (金融街控股股份有限公司), a joint stock company established in the PRC with limited liability on 18 June 1996 and listed on the Shenzhen Stock Exchange (stock code : 000402) and a 30%-controlled company of SASAC Xicheng District;
“Finance Street Investment”	Beijing Finance Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司), formerly known as Beijing Finance Street Construction Group (北京金融街建設集團), a limited liability company established in the PRC on 29 May 1996, a subsidiary of SASAC Xicheng District and a shareholder of the Company;
“Finance Street Properties”	Finance Street Properties Co., Limited (金融街物業股份有限公司), formerly known as Beijing Financial Street Property Management Co., Ltd. (北京金融街物業管理有限責任公司), established in the PRC on 20 May 1994 as a state and joint-stock jointly-owned enterprise (全民與股份制聯營企業), converted into joint stock company with limited liability on 19 September 2019 and listed on the Stock Exchange (stock code: 01502) and a 30%-controlled company of SASAC Xicheng District;
“Finance Street Xihuan Properties”	Beijing Finance Street Xihuan Properties Co., Ltd. (北京金融街西環置業有限公司), formerly known as Beijing Xihuan Properties Co., Ltd. (北京西環置業有限公司), a limited liability company established in the PRC on 14 December 1992 and a subsidiary of SASAC Xicheng District and a shareholder of the Company;
“Group”	the Company and its subsidiaries;
“Hengtai Changcai”	Hengtai Changcai Securities Co., Ltd. (恒泰長財證券有限責任公司), a limited liability company established in the PRC on 10 January 2002 and a direct wholly-owned subsidiary of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Huarong Infrastructure”	Beijing Huarong Infrastructure Investment Co., Ltd. (北京華融基礎設施投資有限責任公司), a limited liability company established in the PRC on 23 May 2006, a subsidiary of SASAC Xicheng District and a shareholder of the Company;
“Jin Tong Tai”	Beijing Jin Tong Tai Investment Co., Ltd. (北京金通泰投資有限公司), a limited liability company established in the PRC on 28 July 1993 and a subsidiary of SASAC Xicheng District;
“Lessors”	collectively, Finance Street Xihuan Properties, Jin Tong Tai and Finance Street Properties;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	for the purpose of this announcement, the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan;
“Premise I”	Rooms C510, C512, C515, C517 and C519 of Tongtai Building, with a total gross floor area of approximately 654.75 square meters;
“Premise II”	Rooms C506 to C509 and C511 of Tongtai Building, with a total gross floor area of approximately 662.88 square meters;
“Premise III”	two parking lots located at Tongtai Building;
“Premises”	collectively, Premise I, Premise II and Premise III;
“RMB”	Renminbi, the lawful currency of the PRC;
“SASAC Xicheng District”	the State-owned Assets Supervision and Administration Commission of Xicheng District People’s Government of Beijing Municipality (北京市西城區人民政府國有資產監督管理委員會), which indirectly controlled an aggregate of approximately 20.42% of issued share capital of the Company through Finance Street Group;

“Shareholder(s)”	the holder(s) of shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tenancy Agreement I”	the tenancy agreement dated 19 May 2022, entered into between Hengtai Changcai and Finance Street Xihuan Properties in relation to Premise I;
“Tenancy Agreement II”	the tenancy agreement dated 19 May 2022, entered into between Hengtai Changcai and Jin Tong Tai in relation to Premise II;
“Tenancy Agreement III”	the tenancy agreement dated 19 May 2022, entered into between Hengtai Changcai and Finance Street Properties in relation to Premise III;
“Tenancy Agreements”	collectively, Tenancy Agreement I, Tenancy Agreement II and Tenancy Agreement III;
“Tongtai Building”	Tongtai Building which is located at No. 33 Finance Street, Xicheng District, Beijing, the PRC; and
“%”	per cent.

By order of the Board
Wu Yigang
Acting Chairman

Beijing, the PRC
19 May 2022

As at the date of this announcement, the Board comprises Mr. Wu Yigang as executive Director; Mr. Yu Lei, Mr. Wang Linjing, Ms. Dong Hong and Ms. Gao Liang as non-executive Directors; Dr. Lam Sek Kong, Mr. Xie Deren and Mr. Dai Genyou as independent non-executive Directors.