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(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 华泰证券股份有限公司 and carrying on business in Hong Kong as HTSC)

(Stock Code: 6886)

PROPOSED RIGHTS ISSUE OF A SHARES AND H SHARES

This announcement is made by the Company pursuant to Rule 13.09 of the Hong Kong Listing Rules and the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that the resolution on the Rights Issue Plan and other relevant resolutions have been considered and approved at the meeting of the Board convened on December 30, 2022. The Rights Issue will be subject to, among others, the approvals by the Shareholders of the Rights Issue Plan at the General Meeting and (as the case may be) the Shareholders Class Meetings, and the approvals by the CSRC and other relevant regulatory authorities of the Rights Issue Plan.

Under the A Share Rights Issue, Shares are proposed to be allotted to all A Shareholders on the basis of three (3) Rights Shares for every ten (10) Shares calculated based on the total A Shares in issue after the trading hours on the A Share Rights Issue Record Date. Under the H Share Rights Issue, Shares are proposed to be allotted to all Qualified H Shareholders on the basis of three (3) Rights Shares for every ten (10) Shares calculated based on the total H Shares in issue after the trading hours on the H Share Rights Issue Record Date. Fractional Rights Share will be dealt with according to the relevant requirements of the stock exchanges and the securities registration and clearing institutions at the place where the securities are listed. The proportions of the A Share Rights Issue and H Share Rights Issue are the same.

Calculated on the basis of 9,075,589,027 total issued Shares as of September 30, 2022, it is expected that the number of Rights Shares to be issued will be 2,722,676,708 Shares, comprising 2,206,963,004 A Rights Shares and 515,713,704 H Rights Shares. If there is any change in the total issued Shares of the Company prior to the implementation of the Rights Issue as a result of bonus issue or conversion of capital reserve into share capital of the Company or other reasons, the number of Rights Shares to be issued will be adjusted according to the number of changed total share capital.

The Rights Issue Price is determined by market discount method after taking into consideration the market transaction conditions of A Shares and H Shares prior to the publication of the issuance announcement. The final Rights Issue Price will be determined through the negotiation between the Board or its authorized person(s) as authorized by the General Meeting and the sponsor(s) (underwriter(s)) with reference to the market conditions before the issuance. The Rights Issue Price of A Shares and H Shares shall be the same after exchange rate adjustment.

The A Rights Shares will be underwritten on a best effort basis, and the H Rights Shares will be underwritten in accordance with Rule 7.19(1) of the Hong Kong Listing Rules.

The gross proceeds raised from the Rights Issue will be no more than RMB28 billion (inclusive). The net proceeds, after deducting relevant issuance expenses, will be fully used for replenishment of capital and working capital of the Company in order to enhance the market competitiveness and the ability to withstand risks of the Company.

In accordance with the relevant requirements under the Articles of Association, a circular containing, among others, (i) details of the Rights Issue; and (ii) the notices for convening the General Meeting and the H Shareholders Class Meeting, will be despatched to the H Shareholders in due course.

Prior to the commencement of the H Share Rights Issue, the Company will make further announcement(s) (including but not limited to the H Share Rights Issue Announcement) and issue the H Share Rights Issue Prospectus which will contain all relevant details of the Rights Issue Plan, including the maximum number of the Rights Shares to be issued, the Rights Issue Price, the period of closure of the register of members for the H Shares and the H Share Rights Issue Record Date, the trading arrangements for H Rights Shares, the arrangements for the excess H Rights Shares, underwriting arrangements and the expected timetable of the Rights Issue Plan.

As the implementation of the Rights Issue will be subject to, among others, the approvals by the Shareholders of the Rights Issue Plan at the General Meeting and (as the case may be) the Shareholders Class Meetings and the approvals by the CSRC and other relevant regulatory authorities of the Rights Issue Plan, the Rights Issue may or may not materialize. Each of the A Share Rights Issue and the H Share Rights Issue is conditional upon the fulfilment of the conditions respectively set out in the sections headed “Conditions of the A Share Rights Issue” and “Conditions of the H Share Rights Issue” in this announcement. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that the resolution on the Rights Issue Plan and other relevant resolutions have been considered and approved at the meeting of the Board convened on December 30, 2022. The Rights Issue will be subject to, among others, the approvals by the Shareholders of the Rights Issue Plan at the General Meeting and (as the case may be) the Shareholders Class Meetings, and the approvals by the CSRC and other relevant regulatory authorities of the Rights Issue Plan.

DETAILS OF THE RIGHTS ISSUE PLAN

The preliminary terms of the Rights Issue Plan are as follows:

- Class and Nominal Value of Rights Shares** : The classes of Shares to be issued under the Rights Issue are A Shares and H Shares, each with a nominal value of RMB1.00.
- Method of Issuance** : The Issuance will be conducted by way of issuing Shares to existing Shareholders.
- Base, Proportion and Number of the Rights Shares to be Issued** : Under the A Share Rights Issue, Shares are proposed to be allotted to all A Shareholders on the basis of three (3) Rights Shares for every ten (10) Shares calculated based on the total A Shares in issue after the trading hours on the A Share Rights Issue Record Date.

Under the H Share Rights Issue, Shares are proposed to be allotted to all Qualified H Shareholders on the basis of three (3) Rights Shares for every ten (10) Shares calculated based on the total H Shares in issue after the trading hours on the H Share Rights Issue Record Date.

Fractional Rights Share will be dealt with according to the relevant requirements of the stock exchanges and the securities registration and clearing institutions at the place where the securities are listed.

The proportions of the A Share Rights Issue and H Share Rights Issue are the same.

Calculated on the basis of 9,075,589,027 Shares in the total share capital of the Company as of September 30, 2022^{Note}, it is expected that the number of Rights Shares will be 2,722,676,708 Shares, comprising 2,206,963,004 A Rights Shares and 515,713,704 H Rights Shares.

If there is any change in the total share capital of the Company prior to the implementation of the Rights Issue as a result of bonus issue or conversion of capital reserve into share capital of the Company or other reasons, the number of Rights Shares will be adjusted according to the number of changed total share capital.

There was no change in the total A Shares and H Shares in issue from September 30, 2022 and up to the date of this announcement.

Pricing Principles and Rights Issue Price	: (1) Pricing principles <ul style="list-style-type: none"> (i) To make reference to trading price of the Shares in the secondary market and various valuation indicators such as price-to-book ratio and price-to-earnings ratio, with taking into account factors including the business development of the Company and the interests of the Shareholders; (ii) To take into consideration the capital requirements of projects funded by the proceeds of the Rights Issue; (iii) To comply with the principles negotiated between the Board or its authorized person(s) and sponsor(s) (underwriter(s)). (2) Rights Issue Price <p>The Rights Issue Price is determined by market discount method after taking into consideration the market transaction conditions of A Shares and H Shares prior to the publication of the issuance announcement. The final Rights Issue Price will be determined through the negotiation between the Board or its authorized person(s) as authorized by the General Meeting and the sponsor(s) (underwriter(s)) with reference to the market conditions before the issuance. The Rights Issue Price of A Shares and H Shares shall be the same after exchange rate adjustment.</p>
Target Subscribers for the Rights Issue	: The target subscribers in respect of the A Share Rights Issue shall be all A Shareholders of the Company registered on the register of members kept with CSDC, Shanghai Branch after the trading hours on the A Share Rights Issue Record Date. The target subscribers in respect of the H Share Rights Issue shall be all qualified H Shareholders determined on the H Share Rights Issue Record Date. The Record Date of the Rights Issue will be determined after obtaining the approval from the CSRC for the Rights Issue Plan. <p>Jiangsu Guoxin Investment Group Limited, the largest Shareholder, will make a public commitment to subscribe for a certain number of Shares before the General Meeting.</p>
Arrangement for Accumulated Undistributed Profits Prior to the Rights Issue	: The accumulated undistributed profits of the Company prior to the Rights Issue shall be shared by all Shareholders on a pro rata basis of their shareholding after the completion of A Share Rights Issue and H Share Rights Issue.
Time of Issuance	: Upon obtaining the approval from the CSRC, the Rights Issue will be implemented in due course within the stipulated period.
Underwriting Methods	: The A Rights Shares will be underwritten on a best effort basis, and the H Rights Shares will be underwritten in accordance with Rule 7.19(1) of the Hong Kong Listing Rules.

Use of Proceeds Raised from the Rights Issue : The gross proceeds raised from the Rights Issue will be no more than RMB28 billion (inclusive). The net proceeds, after deducting relevant issuance expenses, will be fully used for replenishment of capital and working capital of the Company in order to enhance the market competitiveness and the ability to withstand risks of the Company.

The proceeds raised from the Rights Issue will be mainly used for the purposes as below:

No.	Use of Proceeds	Amount intended to be invested
(1)	Developing capital-based intermediary business	No more than RMB10 billion
(2)	Expanding the scale of investment and trading business	No more than RMB8 billion
(3)	Increasing the investment in subsidiaries	No more than RMB5 billion
(4)	Enhancing the construction of information technology and content operation	No more than RMB3 billion
(5)	Replenishing other working capital	No more than RMB2 billion
	Total	No more than RMB28 billion

If the net proceeds raised from the Rights Issue are less than the proceeds proposed to be invested in the above use of proceeds, the shortfall will be made up by the Company. Without any changes in the use of the proceeds, the Board or its authorized person(s) may make appropriate adjustments to the sequence and amount of proceeds invested in the above projects according to the actual needs of projects. From the date of approval at the Board meeting of the Company convened to consider the Rights Issue Plan to the date on which the proceeds are available for use, the Company will first invest the self-raised funds in relevant projects according to the operating conditions and development plans, and will replace the self-raised funds with the proceeds of the Rights Issue as and when available in accordance with the relevant procedures required under relevant laws and regulations.

Validity Period of the Rights Issue Resolution : The Rights Issue resolution shall be valid within 12 months from the date on which the resolution is considered and approved at the General Meeting, the A Shareholders Class Meeting and the H Shareholders Class Meeting. The Company will seek Shareholders' approval again if the Rights Issue cannot be completed within the validity period.

Listing of the Shares to be Issued under the Rights Issue and the Underlying Depository Receipts : Upon the completion of the A Share Rights Issue, the A Shares to be issued will be listed on the SSE according to the relevant requirements.

The rights arrangements under the GDRs issued by the Company involved in the A Share Rights Issue and the possible increase in the number of GDRs, if any, shall be handled by the relevant parties in accordance with the GDR depository agreement and relevant applicable rules, and the additional GDRs, if any, shall be listed on the London Stock Exchange plc in accordance with relevant regulations.

Upon the completion of the H Share Rights Issue, the H Shares to be issued will be listed on the Hong Kong Stock Exchange according to the relevant requirements.

The Rights Issue Plan is subject to the approval by the CSRC and other necessary approvals in connection with the Rights Issue, and shall be the one as approved by the CSRC.

The Rights Issue and the other relevant resolutions shall be submitted to the General Meeting and (as the case may be) the Shareholders Class Meetings for consideration.

Qualified H Shareholders

Subject to, among others, the Rights Issue Plan being approved by the Shareholders at the General Meeting and the Shareholders Class Meetings, the Company will despatch the H Share Rights Issue Prospectus to the Qualified H Shareholders, including the PRC Southbound Trading Investors (and to the extent permitted by the relevant laws, to the Excluded Shareholders for information purposes only). To qualify for the H Share Rights Issue, an H Shareholder shall:

- (i) be registered as an H Shareholder of the Company on the H Share Rights Issue Record Date; and
- (ii) not be an Excluded Shareholder.

Prior to the commencement of the H Share Rights Issue, the Company will announce the date by which the H Shareholders shall lodge any transfer documents in relation to the existing H Shares (together with the relevant H Share certificates) with the H Share Registrar, in order for the transferee to become an H Shareholder of the Company on or before the H Share Rights Issue Record Date.

The PRC Southbound Trading Investors will not be excluded from participating in the H Share Rights Issue.

H Share Rights Issue Record Date

The H Share Rights Issue Record Date and the trading arrangements for the nil-paid H Rights Shares will subsequently be determined by the Board and once determined, a further announcement will be made by the Company. The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the section headed “Conditions of the H Share Rights Issue” in this announcement. The H Share Rights Issue Record Date will be a date which is after the date of the General Meeting and the Shareholders Class Meetings and the date on which relevant PRC governmental and regulatory approvals in relation to the Rights Issue Plan are granted to the Company.

Trading of the H Rights Shares

Dealings in the H Rights Shares in both their nil-paid and fully-paid forms registered with the H Share Registrar will be subject to the payment of stamp duty in Hong Kong. A further announcement will be made by the Company regarding the trading arrangements for the H Rights Shares (in nil-paid and fully-paid forms) after such arrangements have been finalized by the Board.

Status of the H Rights Shares

The H Rights Shares, once allotted and fully paid, will rank pari passu in all respects with the H Shares then in issue. Holders of fully-paid H Rights Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of allotment and issue of the H Rights Shares.

Rights of Overseas Shareholders

The H Share Rights Issue Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will make enquiries regarding the feasibility of extending the H Share Rights Issue to the Overseas Shareholders. If, based on the advice received from the relevant legal advisers, the Board considers that it is necessary or expedient not to offer the H Rights Shares to certain Overseas Shareholders (who are thus Excluded Shareholders) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory authorities or stock exchange in such place, the H Share Rights Issue will not be made available to the Excluded Shareholders.

The Company will despatch copies of the H Share Rights Issue Prospectus to the Excluded Shareholders for their information only (subject to compliance with the relevant laws), but the Company will not despatch any provisional allotment letters or excess application forms to the Excluded Shareholders.

Arrangements will be made for the H Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form, as soon as practicable after the commencement of the dealings in the nil-paid H Rights Shares, if a premium (net of expenses) can be obtained. The proceeds from such sales, less expenses, will be paid on a pro rata basis to the Excluded Shareholders, and the Company will pay individual amounts of more than HK\$100 to the relevant Excluded Shareholders, provided that the Company will retain individual amounts of HK\$100 or less for its own benefit.

Application for Excess H Rights Shares

Qualified H Shareholders of the Company may apply, by way of excess application, for the H Rights Shares to which unsold entitlements of the Excluded Shareholders relate and for any H Rights Shares provisionally allotted to the Qualified H Shareholders but not accepted.

Application for excess H Rights Shares may be made by completing the excess application form to be despatched to the Qualified H Shareholders together with the H Share Rights Issue Prospectus and lodging the same with a separate remittance for such excess H Rights Shares. Excess H Rights Shares (if available) will, at the sole discretion of the Company, be allocated and allotted on a fair and reasonable basis. All excess H Rights Shares will be allocated to Qualified H Shareholders who have applied for excess H Rights Shares on a pro rata basis with reference to their number of excess H Rights Shares applied for. No reference will be made to H Rights Shares comprised in applications by provisional allotment letter or the existing number of H Shares held by Qualified H Shareholders. If the aggregate number of H Rights Shares not taken up by the Qualified H Shareholders under provisional allotment letters is greater than the aggregate number of excess H Rights Shares applied for through excess application forms, the Company will allocate to each Qualified H Shareholder who applies for excess H Rights Shares in full application. No preference will be given to topping up odd lots to whole board lots. There is no guarantee that Qualified H Shareholders with odd lots of H Rights Shares will be topped up to whole board lots pursuant to their applications for excess H Rights Shares.

Conditions of the H Share Rights Issue

It is expected that the H Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue Plan and other relevant resolutions by the Shareholders at the General Meeting;
- (ii) the approval of the Rights Issue Plan and (if applicable) other relevant resolutions by the H Shareholders at the H Shareholders Class Meeting and by the A Shareholders at the A Shareholders Class Meeting, respectively;
- (iii) the approval of the Rights Issue Plan by the CSRC and other relevant regulatory authorities;
- (iv) the Listing Committee of the Hong Kong Stock Exchange approving the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms on the Hong Kong Stock Exchange, either unconditionally or subject to the conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of the despatch of the H Share Rights Issue Prospectus; and
- (v) the despatch to the Hong Kong Stock Exchange and the filing and registration of all documents in relation to the H Share Rights Issue as required by laws to be filed to and registered with the Companies Registry in Hong Kong.

None of the above conditions of the H Share Rights Issue are waivable. As of the date of this announcement, none of the above conditions of the H Share Rights Issue have been satisfied. If the conditions are not fulfilled, the H Share Rights Issue will not proceed.

Conditions of the A Share Rights Issue

It is expected that the A Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue Plan and other relevant resolutions by the Shareholders at the General Meeting;
- (ii) the approval of the Rights Issue Plan and (if applicable) other relevant resolutions by the A Shareholders at the A Shareholders Class Meeting and by the H Shareholders at the H Shareholders Class Meeting, respectively;
- (iii) the approval of the Rights Issue Plan by the CSRC and other relevant regulatory authorities; and
- (iv) the subscription of the A Rights Shares by the A Shareholders being at least 70% of the A Rights Shares under the A Share Rights Issue.

None of the above conditions of the A Share Rights Issue are waivable. As of the date of this announcement, none of the above conditions of the A Share Rights Issue have been satisfied. If the conditions are not fulfilled, the A Share Rights Issue will not proceed.

Change in Registered Capital and the Corresponding Amendments to Relevant Articles in the Articles of Association

Upon the completion of the Rights Issue, the registered capital of the Company will be increased and certain amendments will be made to the Articles of Association in relation to the increased registered capital of the Company due to the Rights Issue. The Board and its authorized person(s) will, with authorization granted by the General Meeting and the Shareholders Class Meetings, make amendments to the Articles of Association in relation to the registered capital, total number of Shares, structure of share capital and other corresponding articles according to the issuance results of the Rights Issue. Upon the completion of the Rights Issue, the Company will publish a further announcement in relation to the change in registered capital and the amendments to the Articles of Association in due course, in order to provide details of such amendments to the Shareholders.

Underwriting

The H Share Rights Issue is proposed to be underwritten in accordance with Rule 7.19(1) of the Hong Kong Listing Rules and such underwriting will be conducted in accordance with the requirements of the Hong Kong Listing Rules. Details of the underwriting arrangement in relation to the H Share Rights Issue will be provided to the Shareholders in a further announcement on the H Share Rights Issue Plan to be published by the Company in due course. Pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), the Hong Kong Listing Rules and the Articles of Association, there is no requirement for a minimum level of subscription in the H Share Rights Issue.

The A Share Rights Issue will proceed on a best effort basis as required under the applicable PRC laws and regulations. Under the applicable PRC laws and regulations, the A Share Rights Issue Plan may only proceed if the subscription level of the A Rights Shares is at least 70% of the A Rights Shares under the A Share Rights Issue. The rights of the A Shares which are not taken up for subscription will lapse and no new A Shares will be issued or allotted pursuant to such rights.

Publication of Further Announcement and Issuance of H Share Rights Issue Prospectus in Relation to the H Share Rights Issue

Prior to the commencement of the H Share Rights Issue, the Company will make further announcement(s) (including but not limited to the H Share Rights Issue Announcement) and issue the H Share Rights Issue Prospectus which will contain all relevant details of the Rights Issue Plan, including the maximum number of the Rights Shares to be issued, the Rights Issue Price, the period of closure of the register of members for the H Shares and the H Share Rights Issue Record Date, the trading arrangements for H Rights Shares, the arrangements for the excess H Rights Shares, underwriting arrangements and the expected timetable of the Rights Issue Plan.

Reasons for the Rights Issue and Use of Proceeds

By the Rights Issue, the Company aims to expand its capital scale, strengthen its capital base, seize the strategic opportunities of the capital market reform and the development of the securities industry, better serve as a bridge to connect real economy and capital market, and create greater returns for the Shareholders. The Board believes that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

For the use of proceeds raised from the Rights Issue, please refer to the “Use of Proceeds Raised from the Rights Issue” under the section headed “Details of the Rights Issue Plan” in this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose, the following table sets out the Company’s current shareholding structure and the proposed shareholding structure upon the completion of the Rights Issue (the Rights Issue is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares, assuming that the Rights Shares are fully subscribed for, and assuming that there is no change in the total issued Shares of the Company from the date of this announcement to the Record Date):

Class of Shares	As at the date of this announcement		Number of Shares to be issued under the Rights Issue	Immediately after the completion of the Rights Issue	
	Number of Shares in issue	Approximate percentage of the total Shares in issue		Number of Shares in issue	Approximate percentage of the total Shares in issue
A Shares	7,356,543,347	81.06%	2,206,963,004	9,563,506,351	81.06%
H Shares	1,719,045,680	18.94%	515,713,704	2,234,759,384	18.94%
Total	9,075,589,027	100.00%	2,722,676,708	11,798,265,735	100.00%

For illustrative purpose, the following table sets out the Company's current shareholding structure and the proposed shareholding structure upon the completion of the Rights Issue (the Rights Issue is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares, assuming that 70% of the A Rights Shares are subscribed for and the H Rights Shares are fully subscribed for, and assuming that there is no change in the total issued Shares of the Company from the date of this announcement to the Record Date):

Class of Shares	As at the date of this announcement		Number of Shares to be issued under the Rights Issue	Immediately after the completion of the Rights Issue	
	Number of Shares in issue	Approximate percentage of the total Shares in issue		Number of Shares in issue	Approximate percentage of the total Shares in issue
A Shares	7,356,543,347	81.06%	1,544,874,103	8,901,417,450	79.93%
H Shares	1,719,045,680	18.94%	515,713,704	2,234,759,384	20.07%
Total	9,075,589,027	100.00%	2,060,587,807	11,136,176,834	100.00%

For illustrative purpose, the following table sets out the Company's current shareholding structure and the proposed shareholding structure upon the completion of the Rights Issue (the Rights Issue is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares, assuming that the A Rights Shares are fully subscribed for and the H Rights Shares are not subscribed for, and assuming that there is no change in the total issued Shares of the Company from the date of this announcement to the Record Date):

Class of Shares	As at the date of this announcement		Number of Shares to be issued under the Rights Issue	Immediately after the completion of the Rights Issue	
	Number of Shares in issue	Approximate percentage of the total Shares in issue		Number of Shares in issue	Approximate percentage of the total Shares in issue
A Shares	7,356,543,347	81.06%	2,206,963,004	9,563,506,351	84.76%
H Shares	1,719,045,680	18.94%	0	1,719,045,680	15.24%
Total	9,075,589,027	100.00%	2,206,963,004	11,282,552,031	100.00%

For illustrative purpose, the following table sets out the Company's current shareholding structure and the proposed shareholding structure upon the completion of the Rights Issue (the Rights Issue is conducted on the basis of three (3) Rights Shares for every ten (10) existing Shares, assuming that 70% of the A Rights Shares are subscribed for and the H Rights Shares are not subscribed for, and assuming that there is no change in the total issued Shares of the Company from the date of this announcement to the Record Date):

Class of Shares	As at the date of this announcement		Number of Shares to be issued under the Rights Issue	Immediately after the completion of the Rights Issue	
	Number of Shares in issue	Approximate percentage of the total Shares in issue		Number of Shares in issue	Approximate percentage of the total Shares in issue
A Shares	7,356,543,347	81.06%	1,544,874,103	8,901,417,450	83.81%
H Shares	1,719,045,680	18.94%	0	1,719,045,680	16.19%
Total	9,075,589,027	100.00%	1,544,874,103	10,620,463,130	100.00%

Under Rule 8.08(1) of the Hong Kong Listing Rules, at least 25% of the Company's total issued shares capital must at all times be held by the public (the "**Public Float Requirement**"). According to public information, as at the date of this announcement, the Company's public float percentage complies with the Public Float Requirement. Upon the completion of the Rights Issue, the Company's public float percentage will continue to comply with the Public Float Requirement.

CIRCULAR

In accordance with the relevant requirements under the Articles of Association, a circular containing, among others, (i) details of the Rights Issue; and (ii) the notices for convening the General Meeting and the H Shareholders Class Meeting, will be despatched to the H Shareholders in due course.

As the implementation of the Rights Issue will be subject to, among others, the approvals by the Shareholders of the Rights Issue Plan at the General Meeting and (as the case may be) the Shareholders Class Meetings and the approvals by the CSRC and other relevant regulatory authorities of the Rights Issue Plan, the Rights Issue may or may not materialize. Each of the A Share Rights Issue and the H Share Rights Issue is conditional upon the fulfilment of the conditions respectively set out in the sections headed "Conditions of the A Share Rights Issue" and "Conditions of the H Share Rights Issue" in this announcement. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“A Rights Share(s)”	the new A Share(s) proposed to be allotted and issued to the A Shareholders pursuant to the A Share Rights Issue Plan
“A Share(s)”	domestic Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB and are listed and traded on the SSE
“A Share Rights Issue” or “A Share Rights Issue Plan”	the proposed issue of 2,206,963,004 A Rights Shares at the Rights Issue Price on the basis of three (3) A Rights Shares for every ten (10) existing A Shares held on the A Share Rights Issue Record Date. If there is any change in the total issued Shares of the Company prior to the implementation of the Rights Issue as a result of bonus issue or conversion of capital reserve into share capital of the Company or other reasons, the number of Rights Shares to be issued will be adjusted according to the changed total issued Shares
“A Share Rights Issue Record Date”	the reference date on which the entitlements to the A Share Rights Issue are to be determined, and such date is to be determined by the Board or its authorized person(s)
“A Shareholder(s)”	holder(s) of A Shares
“A Shareholders Class Meeting”	the A Shareholders’ class meeting of the Company to be convened for considering and, if thought fit, approving, among others, the Rights Issue Plan
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors of the Company

“Company”	a joint stock company incorporated in the PRC with limited liability under the corporate name 华泰证券股份有限公司 (Huatai Securities Co., Ltd.), converted from our predecessor 华泰证券有限责任公司 (Huatai Securities Limited Liability Company) on December 7, 2007, carrying on business in Hong Kong as “HTSC”, and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance under the Chinese approved name of “華泰六八八六股份有限公司” and English name of “Huatai Securities Co., Ltd.”; the H Shares of which have been listed on the main board of the Hong Kong Stock Exchange since June 1, 2015 (Stock Code: 6886); the A Shares of which have been listed on the SSE since February 26, 2010 (Stock Code: 601688); the global depository receipts of which have been listed on the London Stock Exchange plc since June 2019 (Symbol: HTSC), unless the context otherwise requires, including its predecessor
“CSDC”	China Securities Depository and Clearing Co., Ltd.
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Company, based on the advice received from the relevant legal advisers, considers that it is necessary or expedient to exclude from participating in the Rights Issue on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory authorities or stock exchange in such place
“GDR”	global depository receipt
“General Meeting”	the Shareholders’ general meeting of the Company to be convened for considering and, if thought fit, approving, among others, the Rights Issue Plan and other relevant resolutions
“Group”	the Company and its subsidiaries, and their respective predecessors
“H Rights Share(s)”	the new H Share(s) proposed to be allotted and issued to the Qualified H Shareholders pursuant to the H Share Rights Issue Plan
“H Share(s)”	foreign Shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK\$ and are listed on the Hong Kong Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited

“H Share Rights Issue” or “H Share Rights Issue Plan”	the proposed issue of 515,713,704 H Rights Shares at the Rights Issue Price on the basis of three (3) H Rights Shares for every ten (10) existing H Shares held on the H Share Rights Issue Record Date. If there is any change in the total issued Shares of the Company prior to the implementation of the Rights Issue as a result of bonus issue or conversion of capital reserve into share capital of the Company or other reasons, the number of Rights Shares to be issued will be adjusted according to the changed total issued Shares
“H Share Rights Issue Announcement”	the announcement containing, among others, the final terms and conditions of the Rights Issue (including but not limited to the Rights Issue Price) to be published by the Company with reference to the prevailing market conditions subsequent to the approval of the Rights Issue Plan by the CSRC
“H Share Rights Issue Prospectus”	the prospectus in relation to the H Share Rights Issue to be issued by the Company and despatched to the H Shareholders, which contains further details of the H Share Rights Issue
“H Share Rights Issue Record Date”	the reference date on which the entitlements to the H Share Rights Issue are to be determined, and such date is to be determined by the Board or its authorized person(s)
“H Shareholder(s)”	holder(s) of the H Shares
“H Shareholders Class Meeting”	the H Shareholders’ class meeting of the Company to be convened for considering and, if thought fit, approving, among others, the Rights Issue Plan
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Overseas Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the H Share Rights Issue Record Date and whose registered address(es) is/are in a place outside Hong Kong
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Southbound Trading Investors”	PRC investors holding the shares of Hong Kong listed companies through CSDC, the agent under Shanghai-Hong Kong Stock Connect

“Qualified H Shareholder(s)”	H Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the H Share Rights Issue Record Date (but excluding the Excluded Shareholders)
“Record Date”	A Share Rights Issue Record Date and/or H Share Rights Issue Record Date
“Rights Issue” or “Issuance”	the A Share Rights Issue and/or the H Share Rights Issue
“Rights Issue Plan”	A Share Rights Issue Plan and/or H Share Rights Issue Plan
“Rights Issue Price”	the final subscription price for the A Rights Shares and the H Rights Shares to be offered pursuant to the Rights Issue Plan
“Rights Share(s)”	A Rights Share(s) and/or H Rights Share(s)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company, comprising A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Shares
“Shareholders Class Meetings”	collectively, the A Shareholders Class Meeting and the H Shareholders Class Meeting
“SSE”	Shanghai Stock Exchange
“substantial Shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“%”	per cent.

By order of the Board
Zhang Hui
Joint Company Secretary

Jiangsu, the PRC, December 30, 2022

As at the date of this announcement, the Board comprises Mr. Zhang Wei, Mr. Zhou Yi and Ms. Yin Lihong as executive Directors; Mr. Ding Feng, Mr. Chen Zhongyang, Mr. Ke Xiang, Ms. Hu Xiao and Mr. Zhang Jinxin as non-executive Directors; and Mr. Wang Jianwen, Mr. Wang Quansheng, Mr. Peng Bing, Mr. Wang Bing and Mr. Tse Yung Hoi as independent non-executive Directors.