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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)

(1) PROPOSED ISSUE OF SUBORDINATED BONDS IN THE PRC (2) PROPOSED ISSUE OF CORPORATE BONDS IN THE PRC AND (3) THE EGM AND CLOSURE OF REGISTER OF MEMBERS

The Board is pleased to announce that a Board meeting was held on 11 April 2024 to resolve the following matters:

1. PROPOSED ISSUE OF SUBORDINATED BONDS IN THE PRC

In order to expand the Company's financing channels, optimize the debt structure and meet the needs of the Company's business development, the Board has proposed to issue subordinated bonds in the PRC (the “**Subordinated Bonds**”). The details about the proposed issue of the Subordinated Bonds in the PRC are as follows:

Size of issue: The total amount of proceeds from the issue of the Subordinated Bonds shall not exceed RMB2.00 billion (RMB2.00 billion inclusive) and the Subordinated Bonds will be issued in one time or in tranches.

Par value and issue price:	The par value of the Subordinated Bonds to be issued is RMB100 each, issuing at par value.
Maturity:	The term of the Subordinated Bonds to be issued shall be 3 years. The Company can choose whether to increase the option to adjust the coupon rate and the investor's option to sell back before each issue.
Coupon rate and determination method thereof:	The coupon rate of the Subordinated Bonds to be issued this time is fixed, which will be determined through consultation between the Company and the bookkeeping manager within the interest rate inquiry range based on the offline inquiry bookkeeping results in accordance with relevant regulations. The coupon rate of the Subordinated Bonds is calculated on an annual basis using simple interest, excluding compound interest.
Way of issue and issue targets:	The Subordinated Bonds to be issued will be non-publicly issued to professional investors as stipulated in the Administrative Measures for the Issue and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》). The issue targets are professional investors satisfying the provisions under the Administrative Measures for the Issue and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), and will not exceed 200.
Use of proceeds:	The proceeds from the non-public issue of Subordinated Bonds to professional investors are proposed to be used for the purposes of replenishment of working capital or repayment of debts due. The specific uses and the proportion of the proceeds will be determined by the Company according to the actual needs, and subject to the approval of the regulatory authority.
Arrangement on placement to Shareholders:	The Subordinated Bonds to be issued will not be pre-emptively placed to the Shareholders.
Transfer of bonds:	Upon completion of the issue of the Subordinated Bonds, the Company will apply for proceeding with the transfer related procedures at the relevant trading place as soon as possible, subject to the relevant conditions.

Way of guarantee:	Subject to the specific circumstances, legal entities that comply with relevant laws and regulations can be used to provide an unconditional and irrevocable joint and several liability guarantee for the issuance of Subordinated Bonds not exceeding the upper limit of the issuance scale. The scope of the guarantee includes the principal and interest of the Subordinated Bonds of not exceeding RMB2.00 billion, as well as the liquidated damages, damages, all costs of realisation of the creditors' rights and other reasonable expenses payable.
Method of underwriting:	The lead underwriter will organise an underwriting syndicate to underwrite the Subordinated Bonds by way of standby commitment.
Validity period of the resolution:	It shall be valid for 36 months from the date of consideration and approval at the EGM.
Guarantee measures for repayment of the bonds:	<p>In order to successfully complete the issuance of the Subordinated Bonds, the Company has preliminarily proposed the following bonds repayment guarantee measures with reference to market practice:</p> <ol style="list-style-type: none"> (1) to establish a special account for the supervision of the proceeds, which will be used to regulate the management and use of the proceeds; (2) in the event that the Company is unable to repay the principal and interests of the bonds as scheduled, or the Company is unable to repay the principal and interests of the bonds as and when they fall due, it shall implement, as a minimum, the following guarantee measures: <ol style="list-style-type: none"> ① no dividend will be distributed to the Shareholders; ② payment of salary and bonus of the Directors and senior management will be adjusted, reduced or ceased;

- ③ no guarantee shall be created over any of its assets, property or shareholdings for any indebtedness other than the Subordinated Bonds, except as may be required in the ordinary course of operating activities.

Authorization matters:

It is proposed at the EGM to authorise the Board and the Board further authorises the management of the Company to handle with its absolute discretion, all the relevant matters regarding the issue and the transfer by way of public tender of the Subordinated Bonds, in accordance with requirements of the relevant laws and regulations as well as the opinions and recommendations of the regulatory authorities, under the framework and principles of the plan on issue of Subordinated Bonds as approved at the EGM and based on the principle of maximizing the Company's interests, including but not limited to:

- (1) to the extent permitted by the laws and regulations, formulating the specific issue proposal and amending and adjusting the terms of the issue based on the specific conditions of the Company and the market, including but not limited to the detailed size of issue, whether to issue in tranches, arrangement of the amount to be issued and the period of each tranche, the issue price, the subscribed objects, the coupon rate or its method of determination, the timing of issue, time and method of principal and interest payments, whether to provide repurchase terms or redemption terms, particulars of the use of proceeds, the measures to ensure debt repayment, the measures to mitigate repayment risks, matters relating to guarantee, transfer of the bonds by way of public tender, place of issue and transfer by way of public tender, the specific subscription method, the specific placement arrangement, etc. and all matters relating to the terms of issue;

- (2) engaging intermediaries, signing, executing, amending and completing all agreements and documents relating to the issue and transfer by way of public tender of the Subordinated Bonds, and handling the matters related to reporting, transfer by way of public tender and information disclosure;
- (3) selecting trustee(s) for the Subordinated Bonds, executing the trust agreement(s) and formulating rules for meetings of the bondholders;
- (4) undertaking negotiations relating to the issue and transfer by way of public tender of the Subordinated Bonds on behalf of the Company, executing all relevant agreements and other necessary documents and making appropriate information disclosures;
- (5) in case there is any change in policies of the regulatory authorities in respect of the issue of the Subordinated Bonds or change in market condition, authorising the Board or the Board's authorised person to make relevant adjustments to matters relating to the specific proposal for the issue of the Subordinated Bonds in accordance with the opinions of the regulatory authorities, or to determine whether to continue to proceed with all or part of the work in respect of the issue of the Subordinated Bonds based on the actual circumstances, except for matters which requires re-approval by the Shareholders at the general meeting pursuant to the relevant laws, regulations and the Articles of Association;
- (6) upon completion of the issue, handling the matters relating to the application for transfer by way of public tender of the Subordinated Bonds;

- (7) handling all other matters relating to the issue and transfer by way of public tender of the Subordinated Bonds; and
- (8) this authorisation is valid from the date of consideration and approval at the EGM to the date the resolution of the general meeting relating to the issue of the Subordinated Bonds has lapsed or the above authorised matters are completed, whichever is earlier.

The proposed issue of Subordinated Bonds in the PRC shall be subject to approval by Shareholders as a special resolution at the EGM and necessary approvals from relevant regulatory authorities.

2. PROPOSED ISSUE OF CORPORATE BONDS IN THE PRC

In order to expand the Company's financing channels, optimize the debt structure and meet the needs of the Company's business development, the Board has proposed to issue corporate bonds in the PRC (the "**Corporate Bonds**"). The details about the proposed issue of the Corporate Bonds in the PRC are as follows:

Size of issue:	The total amount of proceeds from the issue of the Corporate Bonds shall not exceed RMB2.00 billion (RMB2.00 billion inclusive) and the Corporate Bonds will be issued in one time or in tranches.
Par value and issue price:	The par value of the Corporate Bonds to be issued is RMB100 each, issuing at par value.
Maturity:	The term of the Corporate Bonds to be issued shall be 3 years. The Company can choose whether to increase the option to adjust the coupon rate and the investor's option to sell back before each issue.
Coupon rate and determination method thereof:	The coupon rate of the Corporate Bonds to be issued this time is fixed, which will be determined through consultation between the Company and the bookkeeping manager within the interest rate inquiry range based on the offline inquiry bookkeeping results in accordance with relevant regulations. The coupon rate of the Corporate Bonds is calculated on an annual basis using simple interest, excluding compound interest.

Way of issue and issue targets:	The Corporate Bonds to be issued will be non-publicly issued to professional investors as stipulated in the Administrative Measures for the Issue and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》). The issue targets are professional investors satisfying the provisions under the Administrative Measures for the Issue and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), and will not exceed 200.
Use of proceeds:	The proceeds from the non-public issue of Corporate Bonds to professional investors are proposed to be used for the purposes of replenishment of working capital or repayment of debts due. The specific uses and the proportion of the proceeds will be determined by the Company according to the actual needs, and subject to the approval of the regulatory authority.
Arrangement on placement to Shareholders:	The Corporate Bonds to be issued will not be pre-emptively placed to the Shareholders.
Transfer of bonds:	Upon completion of the issue of the Corporate Bonds, the Company will apply for proceeding with the transfer related procedures at the relevant trading place as soon as possible, subject to the relevant conditions.
Way of guarantee:	Subject to the specific circumstances, legal entities that comply with relevant laws and regulations can be used to provide an unconditional and irrevocable joint and several liability guarantee for the issuance of Corporate Bonds not exceeding the upper limit of the issuance scale. The scope of the guarantee includes the principal and interest of the Corporate Bonds of not exceeding RMB2.00 billion, as well as the liquidated damages, damages, all costs of realisation of the creditors' rights and other reasonable expenses payable.

Method of underwriting:	The lead underwriter will organise an underwriting syndicate to underwrite the Corporate Bonds by way of standby commitment.
Validity period of the resolution:	It shall be valid for 36 months from the date of consideration and approval at the EGM.
Guarantee measures for repayment of the bonds:	<p>In order to successfully complete the issuance of the Corporate Bonds, the Company has preliminarily proposed the following bonds repayment guarantee measures with reference to market practice:</p> <ol style="list-style-type: none"> (1) to establish a special account for the supervision of the proceeds, which will be used to regulate the management and use of the proceeds; (2) in the event that the Company is unable to repay the principal and interests of the bonds as scheduled, or the Company is unable to repay the principal and interests of the bonds when they become due, it shall implement, as a minimum, the following guarantee measures: <ol style="list-style-type: none"> ① no dividend will be distributed to the Shareholders; ② payment of salary and bonus of the Directors and senior management will be adjusted, reduced or ceased; ③ no guarantee shall be created over any of its assets, property or shareholdings for any indebtedness other than the Corporate Bonds, except as may be required in the ordinary course of operating activities.

Authorization matters:

It is proposed at the EGM to authorise the Board and the Board further authorises the management of the Company to handle with its absolute discretion, all the relevant matters regarding the issue and the transfer by way of public tender of the Corporate Bonds, in accordance with requirements of the relevant laws and regulations as well as the opinions and recommendations of the regulatory authorities, under the framework and principles of the plan on issue of Corporate Bonds as approved at the EGM and based on the principle of maximizing the Company's interests, including but not limited to:

- (1) to the extent permitted by the laws and regulations, formulating the specific issue proposal and amending and adjusting the terms of the issue based on the specific conditions of the Company and the market, including but not limited to the detailed size of issue, whether to issue in tranches, arrangement of the amount to be issued and the period of each tranche, the issue price, the subscribed objects, the coupon rate or its method of determination, the timing of issue, time and method of principal and interest payments, whether to provide repurchase terms or redemption terms, particulars of the use of proceeds, the measures to ensure debt repayment, the measures to mitigate repayment risks, matters relating to guarantee, transfer of the bonds by way of public tender, place of issue and transfer by way of public tender, the specific subscription method, the specific placement arrangement, etc. and all matters relating to the terms of issue;
- (2) engaging intermediaries, signing, executing, amending and completing all agreements and documents relating to the issue and transfer by way of public tender of the Corporate Bonds, and handling the matters related to reporting, transfer by way of public tender and information disclosure;

- (3) selecting trustee(s) for the Corporate Bonds, executing the trust agreement(s) and formulating rules for meetings of the bondholders;
- (4) undertaking negotiations relating to the issue and transfer by way of public tender of the Corporate Bonds on behalf of the Company, executing all relevant agreements and other necessary documents and making appropriate information disclosures;
- (5) in case there is any change in policies of the regulatory authorities in respect of the issue of the Corporate Bonds or change in market condition, authorising the Board or the Board's authorised person to make relevant adjustments to matters relating to the specific proposal for the issue of the Corporate Bonds in accordance with the opinions of the regulatory authorities, or to determine whether to continue to proceed with all or part of the work in respect of the issue of the Corporate Bonds based on the actual circumstances, except for matters which requires re-approval by the Shareholders at the general meeting pursuant to the relevant laws, regulations and the Articles of Association;
- (6) upon completion of the issue, handling the matters relating to the application for transfer by way of public tender of the Corporate Bonds;
- (7) handling all other matters relating to the issue and transfer by way of public tender of the Corporate Bonds; and
- (8) this authorisation is valid from the date of consideration and approval at the EGM to the date the resolution of the general meeting relating to the issue of the Corporate Bonds has lapsed or the above authorised matters are completed, whichever is earlier.

The proposed issue of Corporate Bonds in the PRC shall be subject to approval by Shareholders as a special resolution at the EGM and necessary approvals from relevant regulatory authorities.

3. APPLICATION TO FINANCE STREET INVESTMENT FOR GUARANTEE FOR ISSUANCE OF SUBORDINATED BONDS AND CORPORATE BONDS BY THE COMPANY

Finance Street Investment, through Huarong Zonghe Investment and Finance Street Xihuan Properties, is interested in approximately 29.99% of the Company's total issued share capital, and therefore a substantial Shareholder. The Company intends to apply to Finance Street Investment for a joint liability guarantee for the issuance of Subordinated Bonds and Corporate Bonds. The details are as follows:

(1) Subordinated Bonds

Size of guarantee: a maximum amount of not more than RMB2.00 billion (RMB2.00 billion inclusive), being the upper limit of the issuance scale of Subordinated Bonds

Period of guarantee: 3 years

Guarantee fee: Guarantee rate shall not exceed 0.75% per annum (the guarantee rate is determined with reference to market price, and the current market reference of guarantee rate is 0.75% per annum)

(2) Corporate Bonds

Size of guarantee: a maximum amount of not more than RMB2.00 billion (RMB2.00 billion inclusive), being the upper limit of the issuance scale of Corporate Bonds

Period of guarantee: 3 years

Guarantee fee: Guarantee rate shall not exceed 0.75% per annum (the guarantee rate is determined with reference to market price, and the current market reference of guarantee rate is 0.75% per annum)

The abovementioned guarantee for the issuance of Subordinated Bonds and Corporate Bonds are subject to the fulfillment of corresponding approval procedures by Finance Street Investment, and are expected to be conducted on normal commercial terms or better and no security over the assets of the Company or its subsidiaries will be granted to the guarantor.

4. THE EGM AND CLOSURE OF REGISTER OF MEMBERS

The EGM will be held on Friday, 17 May 2024.

A circular of the EGM containing the proposed issue of Subordinated Bonds in the PRC, the proposed issue of Corporate Bonds in the PRC, together with the relevant form of proxy for the EGM will be published on the Company's website at www.cnht.com.cn and the website of the "HKEXnews" at www.hkexnews.hk.

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 9 May 2024 to Friday, 17 May 2024 (both days inclusive) during which period no transfer of shares will be effected. Shareholders whose names appear on the register of members of the Company on Friday, 17 May 2024 shall be entitled to attend the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's head office in the PRC at 11/F, China Life Centre, No. 17 Finance Street, Xicheng District, Beijing, the PRC (for holders of Domestic Shares), or the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) no later than 4:30 p.m. on Wednesday, 8 May 2024 for registration.

5. DEFINITIONS

Unless the context otherwise requires, the following expressions in this announcement shall have the following meanings:

“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors of the Company
“Company”	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)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for or credited as paid in Renminbi
“EGM”	the 2024 first extraordinary general meeting of the Company to be held at the meeting room of 11/F, China Life Centre, No. 17 Finance Street, Xicheng District, Beijing, the PRC at 10:00 a.m. on Friday, 17 May 2024
“Finance Street Investment”	Beijing Finance Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司), a substantial Shareholder
“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 subsidiary of Finance Street Investment and a Shareholder

“Huarong Zonghe Investment”	Beijing Huarong Zonghe Investment Co., Ltd. (北京華融綜合投資有限公司), formerly known as Beijing Huarong Zonghe Investment Company (北京華融綜合投資公司), a subsidiary of Finance Street Investment and a substantial Shareholder
“H Share(s)”	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for and traded in HK\$ and listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Zhu Yanhui
Chairman

Beijing, the PRC
11 April 2024

As at the date of this announcement, the Board comprises Mr. Zhu Yanhui as executive Director; Mr. Yu Lei, Mr. Wang Linjing, Mr. Li Ye, Ms. Yang Qin and Mr. Li Yanyong as non-executive Directors; Mr. Chen Xin, Mr. Xu Hongcai and Ms. Cheng Zhuo as independent non-executive Directors.