

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.



(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)

2024 INTERIM PROFIT DISTRIBUTION

References are made to the circular dated May 20, 2024 and the poll results announcement of the 2023 Annual General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting dated June 20, 2024 of the Company respectively, in relation to, among other things, authorization to the Board to decide on the interim profit distribution for 2024 at the 2023 Annual General Meeting of the Company.

CONTENT OF PROFIT DISTRIBUTION PROPOSAL

According to the 2024 half-year financial statements of the Company disclosed in the Company's interim results announcement for the six months ended June 30, 2024 dated August 30, 2024, the Parent Company realised a net profit of RMB4,798,741,897.50 for the first half of 2024.

As of June 30, 2024, the profit of the Parent Company available for distribution to investors in cash is RMB20,073,504,181.80.

The Company attaches great importance to its return to investors and adheres to a sustainable and stable profit distribution policy. In order to better giveback to investors for their support to the Company, after comprehensive consideration of factors such as the interests of Shareholders and the development of the Company, the 2024 interim profit distribution proposal of the Company is as follows:

1. The Company will distribute cash dividend of RMB1.50 (tax inclusive) per 10 shares based on the Company's existing total share capital of 9,029,384,840 Shares after deducting 2,082,559 A Shares to be repurchased and cancelled (i.e. on the basis of 9,027,302,281 Shares), with the total cash dividend of RMB1,354,095,342.15 (tax inclusive), representing 25.50% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for the half year of 2024.

If the total share capital of the Company changes as a result of repurchase and cancellation of Shares granted in the equity incentive during the period from the disclosure date of this proposal to the record date of the implementation of the dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. The remaining profits available for distribution to investors will be carried forward to the next accounting period.

2. Cash dividend is denominated and declared in RMB and paid to holders of A Shares (including the depositary of GDRs) and the investors of Hong Kong Stock Connect in RMB and to holders of H Shares (excluding the investors of Hong Kong Stock Connect) in HKD. The actual distribution amount in HKD shall be calculated at the average basic exchange rate of RMB against HKD issued by the PBOC five business days prior to the date of the twelfth meeting of the sixth session of the Board of the Company (i.e. August 30, 2024), that is, RMB0.913702 to HK\$1.00, being a cash dividend of HK\$1.641673 (tax inclusive) for every 10 H Shares.

The profit distribution proposal is not required to be submitted to the general meeting for consideration.

DECISION-MAKING PROCEDURES PERFORMED BY THE COMPANY

(I) Convening, consideration and voting of the Board meeting

Pursuant to the resolution of the 2023 Annual General Meeting of the Company, the general meeting agreed to authorise the Board to deal with matters in relation to the interim profit distribution with its full discretion. The Board shall, based on the Company's profitability, capital position and the requirements of relevant risk control indicators, formulate the Company's 2024 interim profit distribution proposal and implement it within the prescribed period on the premise that the proportion of cash dividend shall not exceed 30% of the net profit attributable to shareholders of the Parent Company for the current period. On August 30, 2024, the Company held the twelfth meeting of the sixth session of the Board of the Company, at which the Company's 2024 interim profit distribution proposal was considered and approved unanimously. The proposal complies with the profit distribution policy required by the Articles of Association and the Shareholders' return plan which has been disclosed by the Company.

(II) Opinion of the Supervisory Committee

On August 30, 2024, the Company held the ninth meeting of the sixth session of the Supervisory Committee of the Company, at which the Company's 2024 interim profit distribution proposal was considered and approved unanimously.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of H Shareholders to the interim dividend, the register of members of H Shares will be closed from Saturday, September 14, 2024 to Thursday, September 19, 2024 (both days inclusive), during which period no registration of H Shares will be effected. Shareholders whose names appear on the register of members of H Shares on Thursday, September 19, 2024 (the “**Record Date**”) shall be entitled to receive the interim dividend. H Shareholders of the Company who have not completed the registration of share transfer must lodge the transfer documents, accompanied by the relevant share certificates with 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, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, September 13, 2024.

The interim dividend is expected to be distributed to the H Shareholders on Friday, October 25, 2024.

TAX REDUCTION AND EXEMPTION FOR SHAREHOLDERS

In accordance with the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), dividends received by individual shareholders who are overseas residents in respect of their shares issued by domestic non-foreign invested enterprises in Hong Kong shall be subject to the payment of individual income tax according to the “interest, dividend and bonus income” item, which shall be withheld and paid by the withholding agents according to relevant laws. Such overseas residents who are individual owners of shares issued by domestic non-foreign invested enterprises in Hong Kong shall be entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties signed between the countries where they reside and China, or the tax arrangements between Mainland and Hong Kong (Macau) SAR. The tax rate for dividends under the relevant treaties and arrangements is 10% in general. For the purpose of simplifying tax administration, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, upon payment of dividends, generally withhold individual income tax at the rate of 10%, without the need to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for residents of countries that have signed treaties with a tax rate lower than 10%, the withholding agents may file applications on their behalf for the relevant agreed preferential tax treatments, under which circumstances the over-withheld tax amounts will be refunded upon approval by the tax authorities; (2) for residents of countries that have signed treaties with a tax rate higher than 10% but lower than 20%, the withholding agents shall withhold individual income tax at the agreed tax rate effective at the time of dividends payment, without the need to file an application; and (3) for residents of countries without tax treaties or under other situations, the withholding agents shall withhold individual income tax at 20% upon payment of dividends.

In accordance with the requirements under the Notice of the State Administration of Taxation on the Issues Concerning Withholding Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to H Shareholders that are Non-resident Overseas Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), a PRC resident enterprise, when paying dividends to H shareholders who are non-resident overseas enterprises for 2008 and subsequent years, shall withhold and pay enterprise income tax at a uniform rate of 10%.

In accordance with the Notice on Tax Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) issued by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission (財政部、國家稅務總局、中國證監會《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic individual investors from investing in H shares listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the individual income tax shall be paid in accordance with the aforementioned regulations. For dividends received by domestic enterprise investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall not withhold and pay the income tax for such dividends and those domestic enterprise investors shall report and pay the relevant tax on their own. Meanwhile, for the dividends obtained by domestic resident enterprises from holding relevant H shares for a consecutive 12-month period, the enterprise income tax shall be exempted according to laws.

Under the current practice of the Hong Kong Inland Revenue Department, no tax is payable in Hong Kong in respect of dividends paid by the Company.

PROFIT DISTRIBUTION TO INVESTORS OF SHANGHAI STOCK CONNECT

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of the Company listed on the Shanghai Stock Exchange (the “**Shanghai Stock Connect**”), their dividends will be distributed in RMB by the Company through China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) to the account of the nominees holding such shares. The Company will withhold and pay income tax at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding and payment. For investors of Shanghai Stock Connect who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date of shareholding, the date of distribution of cash dividends and other timing arrangements for the investors of Shanghai Stock Connect will be the same as those for A Shareholders of the Company.

PROFIT DISTRIBUTION TO INVESTORS OF HONG KONG STOCK CONNECT

For investors of the Shanghai Stock Exchange and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “**Hong Kong Stock Connect**”), the Company has entered into the Agreement on Distribution of Cash Dividends of H Shares for Hong Kong Stock Connect (《港股通H股股票現金紅利派發協議》) with China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司), pursuant to which, China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司), as the nominee of the investors of H Shares through Hong Kong Stock Connect, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares through Hong Kong Stock Connect via its depository and clearing system. The cash dividends for the investors of H Shares through Hong Kong Stock Connect will be paid in Renminbi. According to the relevant requirements under the Notice on Tax Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors of H shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax by themselves.

The record date of shareholding and the date of distribution of cash dividends and other timing arrangements for the investors of Hong Kong Stock Connect will be the same as those for the H Shareholders of the Company.

The Company will withhold and pay the relevant income tax on behalf of the Shareholders in strict accordance with the law or the requirements of the relevant government authorities, and in strict accordance with the register of members of the Company's H Shares on the Record Date. The Company shall not be responsible for and will not accept any claim arising from the untimely or inaccurate determination of the identity of the Shareholders and any dispute over the withholding arrangement. The Company shall not be responsible for any claim or any dispute over the withholding mechanism arising from the failure to determine the identity of the Shareholders in a timely manner or by mistake. For H Shareholders other than those under Hong Kong Stock Connect of the Company, the Company has appointed Computershare Hong Kong Trustees Limited as the Receiving Agent (the "**Receiving Agent**") for the H Shareholders and the interim dividend declared will be paid to the Receiving Agent, who will then pay to the H Shareholders. Any one of the Directors is authorised to give instructions to the Receiving Agent and to sign the documents to deal with the payment of the interim dividend. For H Shareholders of the Company through Hong Kong Stock Connect, the Company will pay the interim dividend to the Shareholders through the registration and settlement system of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司). For H Shareholders of the Company other than those under Hong Kong Stock Connect, the dividend will be paid by the Receiving Agent on or around Friday, October 25, 2024 and the relevant cheques will be sent to the H Shareholders who are entitled to receive such dividend by ordinary post on the same date. The postal risk shall be borne by the recipient.

For details of the payment of the interim dividend to A Shareholders and related matters, please refer to the A share announcement published on the same date.

DEFINITION

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

| | |
|----------------------------------|--|
| “Board” | the board of directors of the Company |
| “Company” or “Parent Company” | a joint stock company incorporated in the People’s Republic of China 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 registered 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 Shanghai Stock Exchange 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 |

By Order of the Board
Zhang Hui
Joint Company Secretary

Jiangsu, the PRC, August 30, 2024

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, Mr. Liu Changchun and Mr. Zhang Jinxin as non-executive Directors; and Mr. Wang Jianwen, Mr. Wang Quansheng, Mr. Peng Bing, Mr. Wang Bing and Mr. Lo Kin Wing Terry as independent non-executive Directors.