



(GDR under the Symbol: "HTSC")

ANNOUNCEMENT IN RELATION TO IMPLEMENTATION OF REPURCHASE AND CANCELLATION OF PART OF THE RESTRICTED A SHARES

References are made to (i) the announcements of the Company dated December 31, 2020, March 23, 2021, April 7, 2021 and March 30, 2022 respectively (collectively the “**Announcements**”); (ii) the circulars of the Company dated January 8, 2021 and May 23, 2022 respectively (collectively the “**Circulars**”); and (iii) the poll result announcement of the 2021 First Extraordinary General Meeting dated February 8, 2021 and the poll result announcement of the 2021 Annual General Meeting, 2022 First A Share Class Meeting and 2022 First H Share Class Meeting dated June 22, 2022, in relation to, among other things, the approval, relevant adjustments and grant results of the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. (《华泰证券股份有限公司A股限制性股票股权激励計劃》) (the “**Incentive Scheme**”) and the proposed implementation of repurchase and cancellation of part of the restricted A Shares (the “**Repurchase and Cancellation**”) by the Company. Unless otherwise defined in this announcement, terms used in this announcement shall have the same meanings as those defined in the aforesaid Announcements and the Circulars.

The Repurchase and Cancellation involves the reduction of registered capital. Pursuant to the requirements of the Company Law and other relevant laws and regulations, the Company has fulfilled the procedure of notifying creditors of the Repurchase and Cancellation. The public announcement period for 45 days has expired, during which the Company received no claims for settlement of debts or provision of corresponding guarantees from the relevant creditors.

I. REPURCHASE AND CANCELLATION

(I) Reasons and Basis for the Repurchase and Cancellation

According to the relevant provisions of the Incentive Scheme, if the Incentive Participants resign for personal reasons and terminate their employment contracts with the Company, the Restricted Shares that have been granted to them but not yet unlocked shall not be unlocked, and shall be repurchased by the Company at the lower of the grant price and the stock market price at the time of repurchase (the average trading price of the underlying stock of the Company on the trading day before the repurchase matters deliberated by the Board).

From the grant of the restricted A Shares by the Company to February 28, 2022, a total of 22 Incentive Participants of the grant are no longer qualified as Incentive Participants due to their resignations for personal reasons and termination of their employment contracts with the Company, the restricted A Shares that have been granted to them but not yet unlocked shall be repurchased by the Company and cancelled by the Company according to the requirements of the Company Law.

(II) Relevant Personnel and Number under the Repurchase and Cancellation

The Repurchase and Cancellation involves a total of 22 Incentive Participants who are no longer qualified as Incentive Participants and a total of 1,060,973 restricted A Shares to be repurchased and cancelled. After the completion of the Repurchase and Cancellation, the remaining number of the restricted A Shares under the Incentive Scheme is 44,427,027.

(III) Arrangements for the Repurchase and Cancellation

The Company has opened a securities account (Account No.: B883198364) dedicated for the repurchase with Shanghai Branch of China Securities Depository and Clearing Corporation Limited, and submitted application for the Repurchase and Cancellation. It is expected that the cancellation of the above-mentioned 1,060,973 restricted A Shares which are not yet unlocked will be completed on September 23, 2022.

II. CHANGES IN SHARE STRUCTURE OF THE COMPANY UPON THE COMPLETION OF THE REPURCHASE AND CANCELLATION

Upon the completion of the Repurchase and Cancellation, the changes in the share structure of the Company are as follows:

Type of Shares	Before the Repurchase and Cancellation		Increase/ Decrease	After the Repurchase and Cancellation	
	Number (shares)	Proportion (%)		Number (shares)	Proportion (%)
A Shares					
– Floating shares not subject to selling restrictions	7,312,116,320	80.56	–	7,312,116,320	80.57
– Shares subject to selling restrictions	45,488,000	0.50	-1,060,973	44,427,027	0.49
H Shares	1,719,045,680	18.94	–	1,719,045,680	18.94
Total	<u>9,076,650,000</u>	<u>100.00</u>	<u>-1,060,973</u>	<u>9,075,589,027</u>	<u>100.00</u>

Note 1: The above share capital structure reflects the share capital of the Company as of the date of this announcement. Changes in the share structure after the completion of the Repurchase and Cancellation shall be subject to the share capital structure table issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited upon completion of the Repurchase and Cancellation.

Note 2: Any discrepancies in the above table between part of the total shown and the sum of the breakdown figures are due to rounding.

III. STATEMENTS AND UNDERTAKINGS

The decision-making process and information disclosure relating to the Repurchase and Cancellation complied with the laws and regulations, provisions under the Administrative Measures for the Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Incentive Scheme, and the arrangements under the Agreement on Granting of Restricted Shares, without prejudice to the legitimate rights and interests of Incentive Participants and benefits of the creditors of the Company.

The Company undertakes that: The Company has verified and guaranteed the truthfulness, accuracy and completeness of information in respect of Incentive Participants, number of shares and cancellation date in relation to the Repurchase and Cancellation, and has duly informed relevant Incentive Participants of the Repurchase and Cancellation, who have not raised objection against the Repurchase and Cancellation. In case of the dispute arises between the Company and the Incentive Participants as a result of the Repurchase and Cancellation, the Company shall bear relevant legal liabilities arising therefrom on its own.

IV. CONCLUSION OF THE LEGAL OPINION

Beijing King & Wood Mallesons (Nanjing) Law Firm (北京市金杜(南京)律師事務所) has issued the Legal Opinion of Huatai Securities Co., Ltd. regarding Relevant Matters in relation to the Repurchase and Cancellation of Part of the Restricted Shares under the Restricted Share Incentive Scheme of A Shares (《關於华泰證券股份有限公司A股限制性股票股權激勵計劃回購註銷部份限制性股票相關事項的法律意見書》) for the Repurchase and Cancellation, and has expressed its conclusive opinion that, as of the date of the legal opinion, the Company has fulfilled the necessary decision-making process and information disclosure obligation in relation to the Repurchase and Cancellation at the current stage, which is in compliance with relevant provisions under the Administrative Measures for the Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Trial Measures for the Implementation of Share Incentives by State-owned Listed Companies (Domestic) (《國有控股上市公司(境內)實施股權激勵試行辦法》) and the Incentive Scheme; the reasons for, number of shares involved, price for the repurchase and arrangements for the Repurchase and Cancellation comply with relevant provisions under the Administrative Measures for the Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Trial Measures for the Implementation of Share Incentives by State-owned Listed Companies (Domestic) (《國有控股上市公司(境內)實施股權激勵試行辦法》) and the Incentive Scheme; the Company will be required to handle the procedures for registered capital reduction and shares cancellation registration in accordance with the Company Law and other relevant laws and regulations, and fulfil corresponding information disclosure obligation in accordance with laws.

DEFINITION

In this announcement, the following expression has the meaning set out below unless the context otherwise requires.

“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 its 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 Stock Exchange of Hong Kong Limited 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

Huatai Securities Co., Ltd.
September 20, 2022