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If you are in any doubt as to any aspect of this supplementary circular or as to the action to be taken, you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your Shares in the Company, you should at once hand this supplementary circular together with the accompanying revised forms of proxy and reply slip to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

This supplementary circular is for the purpose of the EGM and the H Shareholders Class Meeting of Huatai Securities Co., Ltd. to be held on Monday, October 22, 2018 only. This supplementary circular does not constitute an invitation or offer to acquire, purchase or subscribe for any security in the United States, Australia, Canada, Japan or any other jurisdiction, nor is it intended to invite any such offer or invitation. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act. The securities described herein have not been and will not be registered under the U.S. Securities Act.

The distribution of this supplementary circular and other information in connection with the Issuance and Admission of GDRs in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Any purchase of GDRs in the Issuance and Admission of GDRs by an investor should be made solely on the basis of information contained in the Company's prospectus to be issued by the Company in connection with the Issuance and Admission of GDRs in due course.



(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 ISSUANCE AND ADMISSION OF GDRs AND RELEVANT MATTERS REVISED NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING AND REVISED NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING

The supplementary circular should be read in conjunction with the original circular to Shareholders dated September 14, 2018 of the Company and the announcement of the Company dated September 25, 2018 relating to, among other things, the proposed Issuance and Admission of GDRs.

A revised notice convening the 2018 first extraordinary general meeting (the "EGM") and the 2018 first H shareholders class meeting (the "**H Shareholders Class Meeting**") of the Company to be held at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No. 139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the PRC on Monday, October 22, 2018 at 2:00 p.m. is set out on pages 19 to 29 of this supplementary circular.

The revised forms of proxy for use in the EGM and the H Shareholders Class Meeting are enclosed and they are also set out on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.htsc.com.cn>). If you are not able to attend the EGM and/or the H Shareholders Class Meeting, please complete and return the revised forms of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the holding of the EGM and the H Shareholders Class Meeting and deposit them together with the notarised power of attorney or other documents of authorization with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Share). Completion and return of the revised forms of proxy will not preclude you from attending and voting at the EGM and/or the H Shareholders Class Meeting in person should you so desire.

Shareholders intending to attend the EGM and/or the H Shareholders Class Meeting in person or by their proxies should complete and return the reply slips for attending the EGM and/or the H Shareholders Class Meeting to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Share) on or before Thursday, October 2, 2018 according to instruction of reply slips of the EGM and the H Shareholders Class Meeting issued on September 7, 2018.

September 26, 2018

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DEFINITIONS

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

“A Share(s)”	domestic share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and to be subscribed for and traded in RMB
“A Shareholders Class Meeting”	the 2018 first A Shareholders class meeting of the Company to be held at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No.139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the PRC on Monday, October 22, 2018 at 2:00 p.m. (or immediately after the end of the EGM or an adjournment thereof)
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of the Company”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, excluding for the purposes of this supplementary circular, Hong Kong, Macau Special Administrative Region and Taiwan
“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 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), unless the context otherwise requires, including its predecessor
“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

DEFINITIONS

“EGM”	the 2018 first extraordinary general meeting of the Company to be held at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No.139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the PRC on Monday, October 22, 2018 at 2:00 p.m.
“GDR(s)”	global depository receipt(s)
“H Shareholders Class Meeting”	the 2018 first H Shareholders class meeting of the Company to be held by the Company at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No.139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the PRC on Monday, October 22, 2018 at 2:00 p.m. (or immediately after the end of the EGM and the A Shareholders Class Meeting or an adjournment thereof)
“H Share(s)”	foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and to be subscribed for and traded in HK dollars
“HK\$”, “HKD” or “HK dollars”	the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)
“Issuance and Admission of GDRs”	the Company’s issuance of GDRs representing new A Shares as underlying securities and the applications for the admission to listing of the same on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange
“Jiangsu SASAC”	State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government (江蘇省人民政府國有資產監督管理委員會)
“Latest Practicable Date”	September 25, 2018, being the latest practicable date for the purpose of ascertaining certain information contained in this supplementary circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the main market for listed securities of the London Stock Exchange
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK FCA”	the UK Financial Conduct Authority
“UK Listing Rules”	the Listing Rules of the UK FCA made under Part VI of the UK Financial Services and Markets Act 2000 (as amended) and related secondary legislation
“UK Prospectus Rules”	the Prospectus Rules of the UK FCA
“United States”	the United States of America
“USD”	the lawful currency of the United States

LETTER FROM THE BOARD



(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)

Executive Director:

Mr. Zhou Yi (Chairman, President)

Non-executive Directors:

Ms. Pu Baoying

Mr. Chen Ning

Mr. Gao Xu

Mr. Xu Feng

Mr. Xu Qing

Mr. Zhou Yong

Registered office:

No. 228 Middle Jiangdong Road,
Nanjing, Jiangsu Province,
the PRC

Principal place of business in Hong Kong:

4201, 42/F, The Centre,
99 Queen's Road Central,
Hong Kong

Independent Non-executive Directors:

Mr. Chen Chuanming

Mr. Liu Hongzhong

Mr. Lee Chi Ming

Ms. Liu Yan

Mr. Chen Zhibin

September 26, 2018

To the Shareholders

Dear Sirs and Madams,

PROPOSED ISSUANCE AND ADMISSION OF GDRs AND RELEVANT MATTERS

INTRODUCTION

Reference is made to the original circular to the Shareholders dated September 14, 2018 (the “**Original Circular**”) of the Company and the announcement of the Company dated September 25, 2018 relating to, among other things, the proposed Issuance and Admission of GDRs and relevant matters.

The purpose of this supplementary circular is to provide you with the revised notices of the EGM and the H Shareholders Class Meeting and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the certain additional resolutions to be put forward at the EGM and the H Shareholders Class Meeting.

LETTER FROM THE BOARD

At the EGM, the following additional special resolutions will be proposed to approve:

1. Resolution on the Issuance and Admission of GDRs
2. Resolution on the proposal on the Issuance and Admission of GDRs
3. Resolution on the validity period of the resolutions in respect of the Issuance and Admission of GDRs
4. Resolution on the granting of authorization to the Board and such persons authorized by the Board to consider in their sole discretion matters in connection with the Issuance and Admission of GDRs
5. Resolution on the distribution of accumulated profits prior to the Issuance and Admission of GDRs
6. Resolution on the plan for the use of proceeds from the Issuance and Admission of GDRs

At the EGM, the following additional ordinary resolution will be proposed to approve:

7. Resolution on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares by the Company

The resolutions numbered 1 to 6 above are subject to approval by way of special resolutions at the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.

According to the Articles of Association, the Board, the Supervisory Committee and the Shareholders that individually or jointly hold more than 3% of the Shares are entitled to put forward proposals to the Company at the general meeting. The Shareholders that individually or jointly hold more than 3% of the Shares are entitled to put forward extempore proposals and report to the convener in written no less than 10 days prior to the date of the general meeting. The convener shall send a supplementary notice of the general meeting to announce the extempore proposals within 2 days upon receiving the proposals. Accordingly, Jiangsu Guoxin Investment Group Limited (the largest Shareholder of the Company, which owns 15.18% of the Shares) proposed the ordinary resolution and special resolutions mentioned above to the Company. At the same time, the proposal procedures of the ordinary resolution and special resolutions mentioned above are in compliance with the requirements of relevant applicable laws and regulations and the Articles of Association.

LETTER FROM THE BOARD

ADDITIONAL MATTERS TO BE CONSIDERED AT THE EGM AND THE H SHAREHOLDERS CLASS MEETING

Details of the matters to be considered at the EGM and the H Shareholders Class Meeting are set out in the notices of the EGM and the H Shareholders Class Meeting dated September 7, 2018, the Original Circular of the Company, as well as the revised notices of EGM and the H Shareholders Class Meeting dated September 26, 2018 and this supplementary circular.

Details of the additional resolutions to be put forward at the EGM and the H Shareholders Class Meeting, in addition to those set out in the Original Circular, are as follows:

I. Resolution on the Issuance and Admission of GDRs

To further promote our internationalization strategy and supplement our capital strength, the Company intends to issue GDRs and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange in accordance with the relevant regulatory requirements of the CSRC. Such GDRs will be issued by way of representing newly issued A Shares as underlying securities.

II. Resolution on the proposal on the Issuance and Admission of GDRs

In order to meet our funding needs for business development, further enhance corporate governance and core competitiveness of the Company and further promote our internationalization strategy, the Company intends to issue GDRs and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange. Such GDRs will represent newly issued A Shares as underlying securities.

According to provisions stated in the Company Law of the PRC (《中華人民共和國公司法》), the PRC Securities Law (《中華人民共和國證券法》), the relevant regulatory requirements of the CSRC regarding the market interconnection depository receipt business between the Shanghai Stock Exchange and the London Stock Exchange, the UK Listing Rules and the UK Prospectus Rules and other related laws, regulations and regulatory documents, and taking into account the actual circumstances of the Company, the Issuance and Admission of GDRs will be in compliance with the requirements and conditions under the relevant domestic laws, regulations and regulatory documents and will be conducted in accordance with and subject to the requirements and conditions of applicable laws, including the UK Listing Rules and the UK Prospectus Rules.

The details of the Issuance and Admission of GDRs and the specific proposal are as follows:

1. *Type and nominal value of securities*

The Company intends to issue GDRs representing newly issued A Shares as underlying securities and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange.

LETTER FROM THE BOARD

The nominal value of each GDR will be determined based on the conversion rate between the issued GDRs and the underlying A Shares.

2. *Timing of issuance*

The Company will select the appropriate timing and market window to complete the Issuance and Admission of GDRs within the validity period of the general meeting resolution. The specific timing of issuance will be determined by the Board or persons authorized by the Board as authorized at the general meeting, taking into account the international capital market condition and the progress of obtaining approval from the domestic and overseas regulatory authorities.

3. *Method of issuance*

The method of issuance shall be by way of an international offering.

4. *Size of issuance*

The underlying Shares represented by the GDRs to be issued shall be no more than 825,150,000 A Shares (including the exercise of any over-allotment option, if any) and shall not account for more than 10% of the total ordinary share capital of the Company prior to the issuance.

The final number of Shares to be issued shall be proposed for determination by the Board or persons authorized by the Board as authorized at the general meeting in accordance with legal requirements, regulatory authorities' approval and market conditions.

5. *Conversion rate between GDRs and A Shares*

The conversion rate between the GDRs to be issued and the A Shares represented by the GDRs as underlying securities shall be determined after comprehensively taking into account various factors such as domestic and overseas regulatory requirements and market conditions, etc.

The final conversion rate between the GDRs to be issued and the A Shares represented by the GDRs as underlying securities will be determined by the Board or persons authorized by the Board as authorized in accordance with laws and regulations, regulatory authorities' approvals and market conditions.

6. *Issuance pricing*

The issuance price of the GDRs will be determined after due consideration of the interests of the Company's existing shareholders, the demand of investors and issuance risks, etc., in accordance with international practices and relevant regulatory requirements, through an order demand and book-building process, based on the domestic and overseas capital market conditions at the time of issuance and by reference to the valuation of comparable companies in domestic and overseas markets. The issuance price will be no less than the Company's latest audited per Share net asset value¹.

Note 1: For information purpose only, the net assets attributable to the Shareholders per Share is RMB12.19 per Share as of December 31, 2017, according to the Company's audited financials set out in its 2017 annual report.

LETTER FROM THE BOARD

7. *Target subscribers*

It is intended that the GDRs shall be sold globally and offered to qualified international investors and other investors who are qualified according to relevant regulations.

8. *GDRs and underlying A Shares conversion restriction periods*

The GDRs may be converted into A Shares represented by the GDRs as underlying securities in compliance with domestic and overseas regulatory requirements. In order to maintain the liquidity of GDRs and the price stability in both markets, we propose that the Board or persons authorized by the Board as authorized at the general meeting decide the matters relating to the determination of the conversion restriction period in accordance with the prevailing domestic and overseas regulatory requirements, market conditions and actual circumstances of the Company.

9. *Underwriting method*

The GDRs to be issued will be underwritten by way of an international sales process by the underwriting syndicate after a book-building process.

III. Resolution on the validity period of the resolutions in respect of the Issuance and Admission of GDRs

For the purposes of the Issuance and Admission of GDRs, it will be proposed at the general meeting of the Company for the relevant resolutions in respect of the Issuance and Admission of GDRs to be approved to remain valid for a period of 12 months from the date of consideration and approval of such resolutions at the general meeting of the Company.

IV. Resolution on the granting of authorization to the Board and such persons authorized by the Board to consider in their sole discretion matters in connection with the Issuance and Admission of GDRs

For the purposes of the Issuance and Admission of GDRs, it will be proposed at the general meeting to authorize the Board and such persons authorized by the Board to handle in their sole discretion matters relating to the Issuance and Admission of GDRs, including:

1. It will be proposed at the general meeting to authorize the Board and its authorized persons to handle with full authority the adjustments and specific implementation of the proposal for the Issuance and Admission of GDRs, within the boundaries of the proposal for the Issuance and Admission of GDRs as approved at the general meeting and in accordance with the PRC laws and regulations as well as the relevant requirements of the securities regulatory authorities, including but not limited to determining the specific issuance size, conversion rate between GDRs and A Shares, issuance price (including the currency, price range and final issuance price), timing, methods and target of issuance, placing proportion, restriction period for conversion between GDRs and A Shares and plans on the use of proceeds.

LETTER FROM THE BOARD

2. It will be proposed at the general meeting to authorize the Board and its authorized persons to amend, sign, submit and publish the prospectus; sign, implement, amend and terminate any agreements, contracts, offering documents or other documents relating to the Issuance and Admission of GDRs; appoint sponsor(s), underwriter(s), domestic and overseas legal advisor(s), receiving bank(s), trustee(s), depository(ies) and other intermediaries relevant to the Issuance and Admission of GDRs and conduct other matters relating to the Issuance and Admission of GDRs, as they may consider necessary or appropriate.
3. It will be proposed at the general meeting to authorize the Board and its authorized persons to handle the approval, registration, filing, verification, consent and other procedures with the relevant domestic and overseas governmental departments and regulatory authorities in respect of the Issuance and Admission of GDRs in accordance with the proposal for the Issuance and Admission of GDRs as approved at the general meeting; sign, implement, amend and finalize all necessary documents required to be submitted to the relevant domestic and overseas governmental departments, authorities, organizations and individuals; and take all other acts and measures relating to the Issuance and Admission of GDRs as they consider necessary, appropriate or expedient.
4. It will be proposed at the general meeting to authorize the Board and its authorized persons to, on behalf of the Company, approve the format and contents of the relevant application documents relating to the application to the UK FCA and the London Stock Exchange for the Issuance and Admission of GDRs, approve such authorized persons to submit to the UK FCA and the London Stock Exchange as necessary the prospectus and other documents required to be submitted according to the UK Listing Rules and the UK Prospectus Rules, and sign, on behalf of the Company, the application documents, undertakings, declarations and confirmations.
5. It will be proposed at the general meeting to authorize the Board and its authorized persons to make relevant adjustments and modifications (including but not limited to adjustments and modifications to provisions, chapters, terms, conditions, registered capital etc.) to the Articles of Association and other internal corporate governance procedures of the Company in accordance with the domestic and overseas laws and regulations, the requirements and recommendations from domestic and overseas governmental authorities and regulatory authorities and according to the actual circumstances of the Issuance and Admission of the GDRs; and handle the CSRC, the State Administration for Industry and Commerce and other relevant authorities' approvals, changes of registration, records and other filings before and after the Issuance and Admission of the GDRs.
6. It will be proposed at the general meeting to authorize the Board and its authorized persons to make relevant amendments to the contents of the resolutions on the Issuance and Admission of GDRs as considered and approved at the general meeting in accordance with the requirements of the relevant governmental departments and regulatory authorities and the relevant approval documents.
7. It will be proposed at the general meeting to authorize the Board to authorize such other relevant persons to specifically handle any other matters relating to the Issuance and Admission of GDRs as necessary.

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8. The authorization granted hereunder shall be valid for a term of 12 months from the date of consideration and approval of such resolutions at the general meeting of the Company.

V. Resolution on the distribution of accumulated profits prior to the Issuance and Admission of GDRs

The Company intends to issue GDRs and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange. In order to balance the interests of existing and new Shareholders of the Company, accumulated profits of the Company prior to the Issuance and Admission of GDRs, after deducting any proposed dividends (if any) which have been approved at the general meeting of the Company in accordance with PRC laws and regulations and the Articles of Association prior to the Issuance and Admission of GDRs, shall be shared among existing and new Shareholders after the Issuance and Admission of GDRs.

VI. Resolution on the plan for the use of proceeds from the Issuance and Admission of GDRs

The total amount of proceeds from the issuance of the GDRs by the Company is expected to be no less than USD500 million. After deducting relevant issuance fees, the proceeds are intended to be fully applied towards the Company's domestic and overseas business development and investment through supplementing the Company's capital, in order to further improve the Company's business layout and increase the Company's market competitiveness and level of risk resistance. The specific use of proceeds include:

1. continuously investing in the Company's current principal businesses, developing its various business segments including wealth management, institutional services, investment management, and promoting its business transformation and upgrade;
2. supporting the inward growth and outward expansion of its international business and expanding its strategic overseas presence:
 - increasing the capital strength of the Company's Hong Kong subsidiary and further developing its cross-border business operations;
 - gradually improving its business layout in the United States and Europe and developing business opportunities in potential areas such as investment banking, asset management and wealth management; and
3. supplementing working capital and for general corporate purposes.

The specific use of and investment plan for the issuance proceeds are subject to the disclosure in the prospectus to be issued in connection with the Issuance and Admission of GDRs.

LETTER FROM THE BOARD

VII. Resolution on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares by the Company

In accordance with the Regulations on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares (Zheng Jian Fa Xing Zi [2007] No. 500) (《關於前次募集資金使用情況報告的規定》(證監發行字[2007]500號)) issued by the CSRC, if a listed company applies for issuance of securities on a date which is less than five financial years from the date on which the proceeds previously raised have been received, the Board shall compile and resolve on a report on the use of proceeds previously raised, and submit the same to the general meeting for approval. Meanwhile, an accounting firm with securities qualification shall issue an assurance report on the report on the use of the proceeds previously raised.

The Report on the Use of the Proceeds Raised in the Previous Issuance of Shares is as follows:

1. *Situation of Use of Proceeds Raised in the Previous Issuance of Shares*

(I) *Initial Public Offering of H Shares in 2015*

In accordance with the approval from the CSRC in the Reply on Approval on the Issuance of Overseas Listed Foreign Shares by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2015] No. 685) 《關於核准华泰證券股份有限公司發行境外上市外資股的批覆》(證監許可[2015]685號)), the Company completed the issuance of 1,562,768,800 overseas listed foreign shares (H Shares) of par value of RMB1.00 each at a premium, at an issuance price of HK\$24.80 per Share, to foreign investors in June 2015. Among which, as of June 1, 2015, the Company made a public offering of 1,400,000,000 H Shares at an issuance price of HK\$24.80 per Share. A total subscription amount of HK\$34,720,000,000.00 was paid up in cash in HK dollars. After deducting the transaction fees, transaction taxes, scrip fees, commissions paid to receiving banks and other relevant expenses in the total amount of HK\$8,638,729.16, the net total subscription amount actually received by the Company amounted to HK\$34,711,361,270.84 (equivalent to RMB27,404,619,723.33 calculated at the central parity rate of HKD against RMB on the collection date of June 1, 2015). As of June 24, 2015, the Company completed the offering of 162,768,800 H Shares at an issuance price of HK\$24.80 per Share pursuant to the partial exercise of over-allotment option of H Shares. A total subscription amount of HK\$4,036,666,240.00 was paid up in cash in HK dollars. After deducting transaction fees, transaction taxes, scrip fees, commissions paid to receiving banks and other relevant expenses in the total amount of HK\$310,823.30, the net total subscription amount actually received by the Company amounted to HK\$4,036,355,416.70 (equivalent to RMB3,183,069,881.61 calculated at the central parity rate of HKD against RMB on the collection date of June 24, 2015). As of June 24, 2015, the Company actually received a cumulative amount of HK\$38,747,716,687.54 (equivalent to RMB30,587,689,604.94). The aforesaid proceeds have been transferred to the special account for H Shares proceeds of the Company. KPMG Huazhen LLP has verified the aforesaid proceeds and issued a Capital Verification Report (KPMG Huazhen Yan Zi No. 1501031).

As of August 31, 2018, the Company has cumulatively utilized a total of HK\$757,366,530.41 out of the proceeds from the issuance of H Shares to be settled and a total of RMB29,445,380,000.00 which has been settled, equivalent to a total of RMB30,046,407,661.24 based on the actual settlement and usage. As of August 31, 2018, the balance of the bank account for H Shares proceeds was

LETTER FROM THE BOARD

HK\$691,815,200.52 (equivalent to RMB601,533,316.85 calculated at the central parity rate of HKD against RMB on such date), HK\$1,465,043.39 (equivalent to RMB1,273,855.23 as calculated at the central parity rate of HKD against RMB on such date) of which was attributable to the interest income of the bank account for H Shares proceeds.

(II) *Non-Public Issuance of A Shares in 2018*

In accordance with the Approval in Relation to the Non-Public Issuance of Shares by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2018] No. 315) 《關於核准华泰證券股份有限公司非公開發行股票的批覆》(證監許可[2018]315號)) from the CSRC, the Company completed the non-public issuance of 1,088,731,200 A Shares to specific investors, and completed the relevant registration and trade limit procedures at the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on August 2, 2018, with an issuance price of RMB13.05 per Share. The total proceeds raised amounted to RMB14,207,942,160.00, after deducting expenses related to the issuance (including underwriting sponsorship fees, legal fees, accountant fees, information disclosure fees, issuance registration fees, stamp duty and other fees) in the amount of RMB74,736,488.79, the actual net proceeds raised amounted to RMB14,133,205,671.21. The aforesaid proceeds have been transferred to the special account for non-public issuance of A Shares proceeds of the Company. KPMG Huazhen LLP has verified the aforesaid proceeds and issued a Capital Verification Report (KPMG Huazhen Yan Zi No. 1800286).

As of August 31, 2018, the Company has cumulatively utilized a total of RMB2,983,843,600.00 out of the proceeds from non-public issuance of A Shares and the unutilized proceeds from the non-public issuance of A Shares undertaken by the Company amounted to a total of RMB11,149,362,071.21. As of August 31, 2018, the balance of the bank account for the non-public issuance of A Shares proceeds was RMB11,224,098,560.00.

2. *Actual Use of Proceeds Raised in the Previous Issuance of Shares*

(I) *Initial Public Offering of H Shares in 2015*

As of August 31, 2018, in accordance with its undertakings made at the time of the initial public offering of H Shares, the Company has cumulatively utilized a total of HK\$757,366,530.41 out of the proceeds from the issuance of H Shares to be settled and a total of RMB29,445,380,000.00 which has been settled (equivalent to RMB30,046,407,661.24 based on the actual settlement and usage).

The detailed use of proceeds is as follows: RMB18,352,613.60 thousand was used for the expansion of capital-based intermediary businesses including margin financing and securities lending, RMB3,058,769.00 thousand was used for the expansion of investment and trading business, RMB3,058,769.00 thousand was used to increase the capital of Huatai Purple Gold Investment Co., Ltd. and Huatai Securities (Shanghai) Asset Management Co., Ltd. and RMB3,058,769.00 thousand was used for the expansion of overseas business and RMB2,517,487.00 thousand was used as working capital and for other general corporate purposes. In addition to the use of proceeds above, the remaining proceeds of the Company amounting to approximately RMB601,533.30 thousand (including the interest income and exchange gains and losses of the unutilized proceeds) have not yet been utilized and were deposited into the bank account for H Shares proceeds.

LETTER FROM THE BOARD

As of August 31, 2018, the use of the proceeds raised in the previous issuance of H Shares by the Company was in line with that disclosed at the time of the public issuance of H Shares. There is no change in the investment items funded by the proceeds raised in the previous issuance of H Shares. There is also no transfer or exchange of investment items funded by the proceeds raised in the previous issuance of H Shares. The unutilized proceeds from the issuance of H Shares were deposited into the bank account for H Shares proceeds and no unutilized proceeds have been temporarily used for other purposes.

(II) *Non-Public Issuance of A Shares in 2018*

As of August 31, 2018, in accordance with its undertakings made at the time of the non-public issuance of A Shares, the Company has cumulatively utilized a total of RMB2,983,843.60 thousand out of the proceeds from the non-public issuance of A Shares.

The detailed use of proceeds is as follows: RMB1,190,000.00 thousand was used to further expand the scale of credit trading businesses such as margin financing, securities lending and securities-backed lending; RMB1,293,843.60 thousand was used to expand the investment scale of fixed income products and increase reserves of high quality liquid assets of the Company; RMB500,000.00 thousand was used to increase investment in domestic wholly-owned subsidiaries. In addition to the use of proceeds above, the remaining proceeds of the Company amounting to approximately RMB11,149,362.10 thousand (including the interest income of the unutilized proceeds) have not yet been utilized and were deposited into the bank account for A Shares proceeds.

As of August 31, 2018, the use of the proceeds raised in the previous issuance of A Shares by the Company was in line with that disclosed at the time of the non-public issuance of A Shares. There is no change in the investment items funded by the proceeds raised in the previous issuance of A Shares by the Company. There is also no transfer or exchange of investment items funded by the proceeds raised in the previous issuance of A Shares by the Company. The unutilized proceeds from the non-public issuance of A Shares were deposited into the bank account for A Shares proceeds and no unutilized proceeds have been temporarily used for other purposes.

3. *The Statement of Gains Realized in the Investment Items Funded by Proceeds Raised in the Previous Issuance of Shares*

As of August 31, 2018, the proceeds raised in the previous issuance of Shares by the Company have been partially used for the purposes committed at the time of the initial public offering of H Shares and the non-public issuance of A Shares, thereby to replenish the working capital of the Company, and thus improve the sustainable profitability and market competitiveness of the Company. After the utilization of the proceeds raised in the previous issuance of Shares, the Company's net assets have been increased. It is difficult to conduct independent audit of the gains realized by the proceeds from the previous issuance of Shares.

4. *Comparison of the Actual Use of Proceeds Raised in the Previous Issuance of Shares with Corporate Information Disclosure*

As of August 31, 2018, there has been no difference between the actual use of the proceeds raised in the previous issuance of Shares by the Company and the relevant matters disclosed by the Company in the periodic reports and other information disclosure documents.

LETTER FROM THE BOARD

After examining the use of the proceeds raised in the previous issuance of Shares, KPMG Huazhen LLP has issued the Assurance Report on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares by Huatai Securities Co., Ltd. (KPMG Huazhen Zhuan Zi No. 1801076). KPMG Huazhen LLP is of the opinion that the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares prepared by Huatai Securities Co., Ltd. “is in compliance with the requirements of the Regulations on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares (Zheng Jian Fa Xing Zi [2007] No. 500) in all material respects, and has truly reflected the use of the proceeds raised in the previous issuance of Shares by the Company as of August 31, 2018 in all material respects.”

VIII. Effects of the Company’s Proposed Issuance and Admission of GDRs on the Shareholding Structure of the Company

The shareholding structure of the Company as at the Latest Practicable Date and immediately following the completion of the Issuance and Admission of GDRs (assuming (i) the total amount of 825,150,000 new A Shares (including the exercise of any over-allotment option, if any) are issued in full and (ii) there has been no change in the total issued share capital of the Company since the Latest Practicable Date, except for that under the Issuance and Admission of GDRs) is set out as follows:

Name of Shareholders	Shareholdings as at the Latest Practicable Date			Shareholdings immediately following the completion of the Issuance and Admission of GDRs		
	Number of Shares held ⁽¹⁾	Percentage of the issued A Shares/ H Shares share capital of the Company (%) ⁽¹⁾		Number of Shares held ⁽¹⁾	Percentage of the issued A Shares/ H Shares share capital of the Company (%) ⁽¹⁾	
		Percentage of the total issued share capital of the Company (%) ⁽¹⁾	Percentage of the total issued share capital of the Company (%) ⁽¹⁾		Percentage of the total issued share capital of the Company (%) ⁽¹⁾	Percentage of the total issued share capital of the Company (%) ⁽¹⁾
A Shares						
Jiangsu Guoxin Investment Group Limited	1,253,551,425	19.19%	15.19%	1,253,551,425	17.04%	13.81%
Public Shareholders of A Shares	5,278,902,895	80.81%	63.98%	6,104,052,895	82.96%	67.25%
<i>GDR depository⁽²⁾</i>	—	—	—	825,150,000	11.21%	9.09%
<i>Original public Shareholders of A Shares⁽³⁾</i>	5,278,902,895	80.81%	63.98%	5,278,902,895	71.75%	58.16%
H Shares						
Zhou Yi	353,261	0.02%	0.004%	353,261	0.02%	0.004%
Public Shareholders of H Shares ⁽³⁾	<u>1,718,692,419</u>	<u>99.98%</u>	<u>20.83%</u>	<u>1,718,692,419</u>	<u>99.98%</u>	<u>18.94%</u>
Total	<u>8,251,500,000</u>	<u>100%</u>	<u>100%</u>	<u>9,076,650,000</u>	<u>100%</u>	<u>100%</u>

⁽¹⁾ The amounts of Shares and percentage figures above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

⁽²⁾ Upon the completion of the Issuance and Admission of GDRs, the GDR depository will issue to qualified international investors GDRs representing the new A Shares issued by the Company in connection with the Issuance and Admission of GDRs. The GDRs representing new A Shares issued in connection with the Issuance and Admission of GDRs are expected to be held by the public (as defined under the Listing Rules). If the GDRs

LETTER FROM THE BOARD

representing new A Shares issued in connection with the Issuance and Admission of GDRs are to be subscribed by connected persons (as defined under the Listing Rules) of the Company, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules, including requirements for announcement and independent shareholders' approval.

- ⁽³⁾ To the best knowledge of the Company, Shares in the hands of original public Shareholders of A Shares and H Shares will be in the hands of the public in accordance with Rule 8.24 of the Listing Rules.

IX. Fund Raising Activities During the Previous Twelve Months

As at the Latest Practicable Date, the Company has not conducted any fund raising activities in relation to the issuance of equity securities of the Company in the 12 months immediately preceding the Latest Practicable Date, except for the non-public issuance of new A Shares, details of which are set out in the relevant circulars of the Company dated June 7, 2017 and May 24, 2018. For details in relation to the application of the relevant proceeds, please refer to the information under the heading "VII. Resolution on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares by the Company".

X. Benefits and reasons for the Proposed Issuance and Admission of GDRs

1. *Facilitate the business development and implementation of strategies of the Company*

The Company has been actively pursuing the development opportunities in the PRC capital market and utilising its own advantages in order to establish itself as a leading player in wealth management, institutional services, investment management and international businesses. The Company's long-term strategic goal is to become a first-class integrated financial group with both domestic advantages and global vision. Through the proposed Issuance and Admission of GDRs, the Company intends to facilitate the implementation of its internationalization strategies, further expand its businesses and enhance brand recognition in both domestic and core international markets including the United States and Europe, as well as improve its operational efficiency and further generate value for the Shareholders.

2. *Supplement the capital strength and enhance the competitiveness of the Company*

In face of the rapid development and transformation of the securities industry in China and increasing industry competition, additional capital and stronger financial position will benefit the sustainable development of the Company by enabling the Company to capture new business opportunities, improve operational resilience and risk management capabilities and enhance competitive advantages.

INFORMATION ON ATTENDING THE EGM AND THE H SHAREHOLDERS CLASS MEETING

The revised notices of the EGM and the H Shareholders Class Meeting to be held at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No.139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, PRC on Monday, October 22, 2018 at 2:00 p.m. are set out on pages 19 to 29 of this supplementary circular.

LETTER FROM THE BOARD

Summary of the important dates for H Shareholders is as follows:

Last Registration Date:	on or before 4:30 p.m. Friday, September 21, 2018
Closure of Register of Members for H Shareholders:	Saturday, September 22, 2018 to Monday, October 22, 2018
Submission of Reply Slip:	on or before Tuesday, October 2, 2018
Submission of Revised forms of proxy:	on or before 2:00 p.m. Sunday, October 21, 2018

The register of members of H Shares will be closed from Saturday, September 22, 2018 to Monday, October 22, 2018 (both days inclusive), during which period no share transfers of H Shares will be effected. Purchasers of Shares who have submitted their Share transfer documents to the H Share Registrar of the Company and registered as Shareholders on the H Share register of members of the Company on or before 4:30 p.m. Friday, September 21, 2018 are entitled to attend and vote in respect of all resolutions to be proposed at the EGM and the H Shareholders Class Meeting.

In order to attend the EGM and/or the H Shareholders Class Meeting, holders of H Shares should ensure that all transfer documents, accompanied by the relevant Share certificates, are lodged 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, Wanchai, Hong Kong, before 4:30 p.m. on Friday, September 21, 2018.

The reply slips and the revised forms of proxy for the EGM and the H Shareholders Class Meeting have been dispatched on Friday, September 7, 2018 and Wednesday, September 26, 2018, respectively and have also been published on the website of Hong Kong Stock Exchange (www.hkexnews.hk). Shareholders intending to attend the EGM and/or the H Shareholders Class Meeting in person or by their proxies should complete and return the reply slips for attending the EGM and/or the H Shareholders Class Meeting to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares) on or before Tuesday, October 2, 2018.

To be valid, for holders of H Shares, the revised forms of proxy and notarised power of attorney or other documents of authorisation must be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the EGM and the H Shareholders Class Meeting. Completion and return of the revised forms of proxy will not preclude you from attending and voting at the EGM and the H Shareholders Class Meeting in person if you so wish.

The revised forms of proxy are intended to be used for the resolutions specified in the revised notices of EGM and the H Shareholders Class Meeting.

If a Shareholder has already returned the original forms of proxy (the “**Original Forms of Proxy**”) which was sent by the Company to its Shareholders on September 7, 2018, he/she should note that:

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- 1) if no revised forms of proxy is returned by the Shareholder, the Original Forms of Proxy will be treated as valid forms of proxy returned by the Shareholder if duly completed. The proxy appointed under the Original Forms of Proxy will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the EGM and the H Shareholders Class Meeting, including the additional proposed resolutions as set out in this supplementary circular and the revised notices of the EGM and H Shareholders Class Meeting.
- 2) if the revised forms of proxy are returned by the Shareholder on or before 2:00 p.m. on Sunday, October 21, 2018, the revised forms of proxy will be treated as valid forms of proxy returned by the Shareholder if duly completed.
- 3) if the revised forms of proxy are returned by the Shareholder after the closing time set out in the revised notice of the EGM and the H Shareholders Class Meeting, the revised forms of proxy will be deemed invalid. They will not revoke the Original Forms of Proxy previously returned by the Shareholder. The Original Forms of Proxy will be treated as valid forms of proxy if duly completed. The proxy appointed under the Original Forms of Proxy will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the EGM and the H Shareholders Class Meeting, including the additional proposed resolutions as set out in this supplementary circular and the revised notices of the EGM and the H Shareholders Class Meeting.

For reference purpose only, the record date for determining the eligibility of members of A Shares for attending the EGM and the A Shareholders Class Meeting will be Friday, October 12, 2018. For details, please refer to the original notices of the EGM and the A Shareholders Class Meeting published on the website of Shanghai Stock Exchange (<http://www.sse.com.cn/>) on Friday, September 7, 2018.

VOTING ARRANGEMENTS

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a shareholders' general meeting must be taken by poll. Accordingly, the chairman of the EGM and the H Shareholders Class Meeting will demand a poll in relation to all newly proposed resolutions at the EGM and the H Shareholders Class Meeting in accordance with Article 113 of Articles of Association.

The aforesaid ordinary resolution is to be passed by the affirmative votes representing at least one half of the total number of Shares held by the attending Shareholders having voting rights; and the aforesaid special resolutions are to be passed by the affirmative votes representing at least two thirds of the total number of Shares held by the attending Shareholders having voting rights.

Pursuant to Rule 2.15 of the Listing Rules, where shareholders' approval is required with regard to a transaction, any shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) approving such transaction at the shareholders' general meeting.

LETTER FROM THE BOARD

As far as the Directors are aware, as at the Latest Practicable Date, no Shareholder is considered to have a material interest in any of the additional resolution to be proposed at the EGM and the H Shareholders Class Meeting set out in this supplementary circular and has to abstain from voting at the EGM and the H Shareholders Class Meeting approving the resolutions.

RESPONSIBILITY STATEMENT

This supplementary circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this supplementary circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplementary circular misleading.

RECOMMENDATION

The Directors believe that all the resolutions mentioned above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders vote in favour of the relevant resolutions to be proposed at the EGM and the H Shareholders Class Meeting as set out in the revised notices of the EGM and the H Shareholders Class Meeting attached to this supplementary circular.

Further disclosures will be made in due course regarding material developments in connection with the Issuance and Admission of GDRs, including but not limited to the issuance price of the GDRs, the conversion rate between the GDRs and A Shares and relevant regulatory requirements.

Shareholders and potential investors of the Company should be aware that the Issuance and Admission of GDRs is subject to the satisfaction of certain conditions precedent. As such, the Issuance and Admission of GDRs may not proceed. Therefore, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Yours faithfully,
By order of the Board of the Company
Zhou Yi
Chairman

REVISED NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING



(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)

REVISED NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING

REVISED NOTICE IS HEREBY GIVEN that the 2018 first extraordinary general meeting of the Company (the “EGM”) will be held at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No. 139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the People's Republic of China on Monday, October 22, 2018 at 2:00 p.m. to consider the following issues:

Ordinary Resolutions

1. To consider and approve the 2018 interim profit distribution plan
2. To consider and approve the resolution on the election of non-executive Directors and executive Directors:
 - 2.1 To consider and approve the resolution on the election of Mr. Ding Feng as a non-executive Director of the fourth session of the Board
 - 2.2 To consider and approve the resolution on the election of Mr. Chen Yongbing as a non-executive Director of the fourth session of the Board
 - 2.3 To consider and approve the resolution on the election of Ms. Hu Xiao as a non-executive Director of the fourth session of the Board
 - 2.4 To consider and approve the resolution on the election of Ms. Fan Chunyan as a non-executive Director of the fourth session of the Board
 - 2.5 To consider and approve the resolution on the election of Mr. Zhu Xuebo as an executive Director of the fourth session of the Board
3. To consider and approve the resolution on the election of Shareholder Supervisors:
 - 3.1 To consider and approve the resolution on the election of Mr. Chen Ning as a Shareholder Supervisor of the fourth session of the Supervisory Committee
 - 3.2 To consider and approve the resolution on the election of Ms. Yu Lanying as a Shareholder Supervisor of the fourth session of the Supervisory Committee

REVISED NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING

- 3.3 To consider and approve the resolution on the election of Ms. Yang Yaling as a Shareholder Supervisor of the fourth session of the Supervisory Committee
4. To consider and approve the resolution on the plan of the AssetMark Overseas Listing
5. To consider and approve the resolution on the compliance of the AssetMark Overseas Listing with the Notice on Issues in Relation to Regulating Overseas Listing of Subsidiaries of Domestic Listed Companies
6. To consider and approve the resolution on the undertaking of maintaining independent listing status of the Company
7. To consider and approve the resolution on the description of the sustainable profitability and prospects of the Company
8. To consider and approve the resolution on the authorization granted to the Board and its authorized party(ies) in dealing with matters regarding the AssetMark Overseas Listing
9. To consider and approve the resolution on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares by the Company

Special Resolutions

10. To consider and approve the resolution on the provision of assured entitlement only to H Shareholders for the AssetMark Overseas Listing
11. To consider and approve the resolution on the amendment to the Articles of Association
12. To consider and approve the resolution on the Issuance and Admission of GDRs
13. To consider and approve the resolution on the proposal on the Issuance and Admission of GDRs
14. To consider and approve the resolution on the validity period of the resolutions in respect of the Issuance and Admission of GDRs
15. To consider and approve the resolution on the granting of authorization to the Board and such persons authorized by the Board to consider in their sole discretion matters in connection with the Issuance and Admission of GDRs
16. To consider and approve the resolution on the distribution of accumulated profits prior to the Issuance and Admission of GDRs
17. To consider and approve the resolution on the plan for the use of proceeds from the Issuance and Admission of GDRs

REVISED NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING

INFORMATION OF THE RESOLUTIONS

The resolutions to be considered at the EGM and the recommendations of the Directors regarding such resolutions are set out in detail in the original circular dispatched by the Company on Friday, September 14, 2018 and the supplementary circular to be dispatched by the Company on Wednesday, September 26, 2018.

DEFINITIONS

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

“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 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), unless the context otherwise requires, including its predecessor

Yours faithfully,
By order of the Board of the Company
Zhou Yi
Chairman

Jiangsu, the PRC, September 26, 2018

As at the date of this notice, the Board comprises Mr. Zhou Yi as an executive Director; Ms. Pu Baoying, Mr. Chen Ning, Mr. Gao Xu, Mr. Xu Feng, Mr. Xu Qing and Mr. Zhou Yong as non-executive Directors; and Mr. Chen Chuanming, Mr. Liu Hongzhong, Mr. Lee Chi Ming, Ms. Liu Yan and Mr. Chen Zhibin as independent non-executive Directors.

Notes:

1. Eligibility for attending the EGM and date of registration of members for H Shares

The register of members of H Shares will be closed from Saturday, September 22, 2018 to Monday, October 22, 2018 (both days inclusive), during which time no Share transfer of H Shares will be registered. Purchasers of Shares who have submitted their documents of Share transfer to the H Share Registrar of the Company and registered as Shareholders on the H Share register of members of the Company before 4:30 p.m. on Friday, September 21, 2018 are entitled to attend and vote in respect of all resolutions to be proposed at the EGM.

REVISED NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING

In order to attend the EGM, holders of H Shares should ensure that all transfer documents, accompanied by the relevant Share certificates, are lodged 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, Wanchai, Hong Kong, before 4:30 p.m. on Friday, September 21, 2018.

2. Proxy

- (1) Each Shareholder entitled to attend and vote at the EGM may appoint one or more proxies in writing to attend and vote on his/her behalf. A proxy need not be a Shareholder.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of the attorney authorizing that the attorney to sign or other documents of authorization must be notarised.

To be valid, for holders of H Shares, the revised form of proxy and notarised power of the attorney or other documents of authorization must be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the EGM.

- (3) Any voting at the EGM shall be taken by poll.
- (4) If a Shareholder has not yet returned the original form of proxy dispatched by the Company on September 7, 2018 (the "**Original Form of Proxy**") in accordance with the instructions printed thereon, and wishes to appoint a proxy to attend the EGM on his/her behalf, he/she is required to submit the revised form of proxy. In this case, the Shareholder shall not submit the Original Form of Proxy.
- (5) If a Shareholder has already returned the Original Form of Proxy in accordance with the instructions printed thereon, he/she should note that:
 - a) If no revised form of proxy is returned by the Shareholder, the Original Form of Proxy will be treated as a valid form of proxy returned by the Shareholder if duly completed. The proxy appointed under the Original Form of Proxy will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the EGM, including the additional proposed resolutions as set out in the supplementary circular to Shareholders to be dispatched by the Company and this revised notice of EGM.
 - b) If the revised form of proxy is returned by the Shareholder no less than 24 hours before the time appointed for the EGM, the revised form of proxy will be treated as a valid form of proxy returned by the Shareholder if duly completed.
 - c) If the revised form of proxy is returned by the Shareholder after the closing time as set out in this revised notice of EGM, the revised form of proxy will be deemed invalid. It will not revoke the Original Form of Proxy previously returned by the Shareholder. The Original Form of Proxy will be treated as a valid form of proxy returned by the Shareholder if duly completed. The proxy appointed under the Original Form of Proxy will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the EGM, including the additional proposed resolutions as set out in the supplementary circular to Shareholders to be dispatched by the Company and this revised notice of EGM.

REVISED NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING

3. Registration procedures for attending the EGM

- (1) A Shareholder attending in person should present proof of identity or stock account cards when attending the EGM. In the case of attendance by proxy, the proxy should present proof of identity and the form of proxy(s) from the Shareholders. If a Shareholder is a legal person, its legal representative may attend the EGM by providing his/her identity card and valid proof of its capacity as a legal representative of such Shareholder appointing such person to attend the meeting. In the case of attendance by proxy of the legal representative, the proxy should present his/her identity card and a written letter of authorization duly issued by such legal representative when attending the EGM.
- (2) Shareholders intending to attend the EGM in person or by their proxies should complete and return the reply slip for attending the EGM to Computershare Hong Kong Investor Services Limited (for holders of H Shares) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before Tuesday, October 2, 2018.

4. Voting by poll

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a shareholders' general meeting must be taken by poll. Accordingly, the chairman of the EGM will demand a poll in relation to all the proposed resolutions at the EGM in accordance with Article 113 of Articles of Association.

The aforesaid ordinary resolutions are to be passed by the affirmative votes representing at least one half of the total number of Shares held by the attending Shareholders having voting rights; and the aforesaid special resolutions are to be passed by the affirmative votes representing at least two thirds of the total number of Shares held by the attending Shareholders having voting rights.

Resolutions 2 and 3 shall adopt the method of cumulative poll, i.e. the number of votes carried by each Share held by the Shareholders shall be equal to the number of proposed non-executive Directors or Shareholder Supervisors and the Shareholders may concentrate their entitled votes when voting. In particular: (1) each Shareholder shall be entitled to such number of votes as shall be equal to the number of Shares held by him/her multiplied by the total number of non-executive Directors and executive Directors upon whom he/she can vote, when electing non-executive Directors and executive Directors. Such votes may only be voted for the candidates of the non-executive Directors and executive Directors of the Company, and the candidates who have the most votes shall be appointed; and (2) each Shareholder shall be entitled to such number of votes as shall be equal to the number of Shares held by him/her multiplied by the total number of Shareholder Supervisor upon whom he/she can vote, when electing Shareholder Supervisors. Such votes may only be voted for the candidates of the Shareholder Supervisor of the Company, and the candidates who have the most votes shall be appointed.

Pursuant to Rule 2.15 of the Listing Rules, where shareholders' approval is required with regard to a transaction, any shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) approving such transaction at the shareholders' general meeting.

As far as the Directors are aware as of the date of this notice, no shareholder is considered to have a material interest in any of the resolutions proposed at the EGM and has to abstain from voting at the EGM approving the resolutions.

5. Miscellaneous

- (1) The EGM is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

REVISED NOTICE OF THE 2018 FIRST EXTRAORDINARY GENERAL MEETING

- (2) The address of Computershare Hong Kong Investor Services Limited is: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

- (3) The registered address of the Company:

No. 228 Middle Jiangdong Road,
Nanjing, Jiangsu Province,
People's Republic of China

Contact Office: Board Office

Telephone No.: +86 25 8338 8272 / 8338 7793

Facsimile No.: +86 25 8338 7784

E-mail: boardoffice@htsc.com

REVISED NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING



(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)

REVISED NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING

REVISED NOTICE IS HEREBY GIVEN that the 2018 first H shareholders class meeting of the Company (the “**H Shareholders Class Meeting**”) will be held at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No. 139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the People's Republic of China on Monday, October 22, 2018 at 2:00 p.m. (or immediately after the end of the 2018 first extraordinary general meeting and the 2018 first A shareholders class meeting of the Company or an adjournment thereof) to consider the following issues:

Special Resolutions

1. To consider and approve the resolution on the provision of assured entitlement only to H Shareholders for the AssetMark Overseas Listing
2. To consider and approve the resolution on the Issuance and Admission of GDRs
3. To consider and approve the resolution on the proposal on the Issuance and Admission of GDRs
4. To consider and approve the resolution on the validity period of the resolutions in respect of the Issuance and Admission of GDRs
5. To consider and approve the resolution on the granting of authorization to the Board and such persons authorized by the Board to consider in their sole discretion matters in connection with the Issuance and Admission of GDRs
6. To consider and approve the resolution on the distribution of accumulated profits prior to the Issuance and Admission of GDRs
7. To consider and approve the resolution on the plan for the use of proceeds from the Issuance and Admission of GDRs

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INFORMATION OF THE RESOLUTIONS

The resolutions to be considered at the H Shareholders Class Meeting and the recommendations of the Directors regarding such resolutions are set out in detail in the original circular dispatched by the Company on Friday, September 14, 2018 and the supplementary circular to be dispatched by the Company on Wednesday, September 26, 2018.

DEFINITIONS

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

“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 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), unless the context otherwise requires, including its predecessor

Yours faithfully,
By order of the Board of the Company
Zhou Yi
Chairman

Jiangsu, the PRC, September 26, 2018

As at the date of this notice, the Board comprises Mr. Zhou Yi as an executive Director; Ms. Pu Baoying, Mr. Chen Ning, Mr. Gao Xu, Mr. Xu Feng, Mr. Xu Qing and Mr. Zhou Yong as non-executive Directors; and Mr. Chen Chuanming, Mr. Liu Hongzhong, Mr. Lee Chi Ming, Ms. Liu Yan and Mr. Chen Zhibin as independent non-executive Directors.

REVISED NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING

Notes:

1. **Eligibility for attending the H Shareholders Class Meeting and date of registration of members for H Shares**

The register of members of H Shares will be closed from Saturday, September 22, 2018 to Monday, October 22, 2018 (both days inclusive), during which time no Share transfer of H Shares will be registered. Purchasers of Shares who have submitted their documents of Share transfer to the H Share Registrar of the Company and registered as Shareholders on the H Share register of members of the Company before 4:30 p.m. on Friday, September 21, 2018 are entitled to attend and vote in respect of all resolutions to be proposed at the H Shareholders Class Meeting.

In order to attend the H Shareholders Class Meeting, holders of H Shares should ensure that all transfer documents, accompanied by the relevant Share certificates, are lodged 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, Wanchai, Hong Kong, before 4:30 p.m. on Friday, September 21, 2018.

2. **Proxy**

- (1) Each Shareholder entitled to attend and vote at the H Shareholders Class Meeting may appoint one or more proxies in writing to attend and vote on his/her behalf. A proxy need not be a Shareholder.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of the attorney authorizing that the attorney to sign or other documents of authorization must be notarised.

To be valid, for holders of H Shares, the revised form of proxy and notarised power of the attorney or other documents of authorization must be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the H Shareholders Class Meeting.

- (3) Any voting at the H Shareholders Class Meeting shall be taken by poll.
- (4) If a Shareholder has not yet returned the original form of proxy dispatched by the Company on September 7, 2018 (the "**Original Form of Proxy**") in accordance with the instructions printed thereon, and wishes to appoint a proxy to attend the H Shareholders Class Meeting on his/her behalf, he/she is required to submit the revised form of proxy. In this case, the Shareholder shall not submit the Original Form of Proxy.
- (5) If a Shareholder has already returned the Original Form of Proxy in accordance with the instructions printed thereon should note that:
 - a) If no revised form of proxy is returned by the Shareholder, the Original Form of Proxy will be treated as a valid form of proxy returned by the Shareholder if duly completed. The proxy appointed under the Original Form of Proxy will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the H Shareholders Class Meeting, including the additional proposed resolutions as set out in the supplementary circular to Shareholders to be dispatched by the Company and this revised notice of H Shareholders Class Meeting.
 - b) If the revised form of proxy is returned by the Shareholder no less than 24 hours before the time appointed for the H Shareholders Class Meeting, the revised form of proxy will be treated as a valid form of proxy returned by the Shareholder if duly completed.

REVISED NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING

- c) If the revised form of proxy is returned by the Shareholder after the closing time as set out in this revised notice of H Shareholders Class Meeting, the revised form of proxy will be deemed invalid. It will not revoke the Original Form of Proxy previously returned by the Shareholder. The Original Form of Proxy will be treated as a valid form of proxy returned by the Shareholder if duly completed. The proxy appointed under the Original Form of Proxy will also be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the H Shareholders Class Meeting, including the additional proposed resolutions as set out in the supplementary circular to Shareholders to be dispatched by the Company and this revised notice of H Shareholders Class Meeting.

3. Registration procedures for attending the H Shareholders Class Meeting

- (1) A Shareholder attending in person should present proof of identity or stock account cards when attending the H Shareholders Class Meeting. In the case of attendance by proxy, the proxy should present proof of identity and the form of proxy(s) from the Shareholders. If a Shareholder is a legal person, its legal representative may attend the H Shareholders Class Meeting by providing his/her identity card and valid proof of its capacity as a legal representative of such Shareholder appointing such person to attend the meeting. In the case of attendance by proxy of the legal representative, the proxy should present his/her identity card and a written letter of authorization duly issued by such legal representative when attending the H Shareholders Class Meeting.
- (2) Shareholders intending to attend the H Shareholders Class Meeting in person or by their proxies should complete and return the reply slip for attending the H Shareholders Class Meeting to Computershare Hong Kong Investor Services Limited (for holders of H Shares) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before Tuesday, October 2, 2018.

4. Voting by poll

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a shareholders' general meeting must be taken by poll. Accordingly, the chairman of the H Shareholders Class Meeting will demand a poll in relation to all the proposed resolutions at the H Shareholders Class Meeting in accordance with Article 113 of Articles of Association.

The aforesaid special resolutions are to be passed by the affirmative votes representing at least two thirds of the total number of Shares held by the attending Shareholders having voting rights.

Pursuant to Rule 2.15 of the Listing Rules, where shareholders' approval is required with regard to a transaction, any shareholder that has a material interest in such transaction shall abstain from voting on the resolution(s) approving such transaction at the shareholders' general meeting.

As far as the Directors are aware as of the date of this notice, no shareholder is considered to have a material interest in any of the resolutions proposed at the H Shareholders Class Meeting and has to abstain from voting at the H Shareholders Class Meeting approving the resolutions.

5. Miscellaneous

- (1) The H Shareholders Class Meeting is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
- (2) The address of Computershare Hong Kong Investor Services Limited is: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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- (3) The registered address of the Company:

No. 228 Middle Jiangdong Road,
Nanjing, Jiangsu Province,
People's Republic of China

Contact Office: Board Office
Telephone No.: +86 25 8338 8272 / 8338 7793
Facsimile No.: +86 25 8338 7784
E-mail: boardoffice@htsc.com

APPENDIX I ASSURANCE REPORT ON THE USE OF THE PROCEEDS RAISED IN THE PREVIOUS ISSUANCE OF SHARES

Assurance Report on the Use of the Proceeds Raised in the Previous Issuance of Shares

KPMG Huazhen Zhuan Zi No. 1801076

To the Board of Huatai Securities Co., Ltd.:

We were engaged to perform reasonable assurance service with respect to the enclosed Report on the Use of the Proceeds Raised in the Previous Issuance of Shares by Huatai Securities Co., Ltd. (the “Company”) as of August 31, 2018, and to issue an assurance opinion on whether the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares was prepared in compliance with the requirements of the Regulations on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares (Zheng Jian Fa Xing Zi [2007] No. 500) (《關於前次募集資金使用情況報告的規定》(證監發行字[2007] 500號)) promulgated by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) in all material respects, and whether it has in all material respects truly reflected the use of the proceeds raised in the previous issuance of Shares of the Company as of August 31, 2018.

I. Enterprise’s Responsibility for the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares

It is the responsibility of the Board of the Company to prepare the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares in compliance with the Regulations on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares (Zheng Jian Fa Xing Zi [2007] No. 500). Such responsibility includes the design, implementation and maintenance of internal control related to the preparation of the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares, and to ensure the authenticity, accuracy, completeness, no false records, no misleading statements or no material omission of the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares.

II. The Responsibility of CPA

We were responsible for issuing an assurance opinion on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares on the basis of conducting assurance. We conducted assurance in accordance with the Standards for Other Assurance Practices of Chinese Certified Public Accountants No. 3101-Assurance Practices Other than Auditing or Reviewing of Historical Financial Information (《中國註冊會計師其他鑒證業務準則第3101號—歷史財務信息審計或審閱以外的鑒證業務》). The standards require us to plan and conduct assurance in accordance with the professional code of ethics on CPA in China, so as to obtain reasonable guarantee that there is no material misstatement in the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares.

The assurance involved implementing relevant procedures to obtain assurance evidence relating to whether the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares was prepared in compliance with the requirements of the Regulations on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares (Zheng Jian Fa Xing Zi [2007] No. 500) in all

APPENDIX I ASSURANCE REPORT ON THE USE OF THE PROCEEDS RAISED IN THE PREVIOUS ISSUANCE OF SHARES

material respects, and whether it has in all material respects truly reflected the use of the proceeds raised in the previous issuance of Shares of the Company as of August 31, 2018. The selected procedures were subject to our judgment, including the evaluation on risk of material misstatement in the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares due to fraud or misstatement. When conducting the assurance, we inquired and randomly checked the evidence supporting the amounts and disclosures in the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares and conducted other procedures that we deemed necessary.

We believe, the evidence that we obtained were sufficient and proper, which provided a basis for issuing an assurance opinion.

III. Assurance Opinion

We believe, the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares was prepared in compliance with the requirements of the Regulations on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares (Zheng Jian Fa Xing Zi [2007] No. 500) in all material respects, and has truly reflected in all material respects the use of the proceeds raised in the previous issuance of Shares of the Company as of August 31, 2018.

IV. Purpose of Use

The assurance report can only be used for the Company to apply to the CSRC for issuing securities. Without written approval from our firm, it shall not be used for any other purposes.

KPMG Huazhen LLP

CPA of PRC

Beijing, PRC

WANG Guobei

ZHANG Nan

Date: September 25, 2018

APPENDIX II REPORT ON THE USE OF THE PROCEEDS RAISED IN THE PREVIOUS ISSUANCE OF SHARES

Report on the Use of the Proceeds Raised in the Previous Issuance of Shares by Huatai Securities Co., Ltd. (As of August 31, 2018)

The Board of Directors and all Directors of Huatai Securities Co., Ltd. (hereinafter referred to as the “Company”) warrant that there is no false representation, misleading statement, or material omission contained in this report.

In accordance with the Regulations on the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares (Zheng Jian Fa Xing Zi [2007] No. 500) promulgated by China Securities Regulatory Commission (hereinafter referred to as the “CSRC”), the Company prepared the Report on the Use of the Proceeds Raised in the Previous Issuance of Shares as of August 31, 2018.

The description on the specific use of the proceeds raised in the previous issuance of Shares of the Company is as below:

I. General Information on the Proceeds Raised in the Previous Issuance of Shares

The proceeds raised in the previous issuance of Shares referred to in this report include the proceeds raised in the initial public offering of H Shares in 2015 and the proceeds raised in the non-public issuance of A Shares in 2018.

(I) Proceeds Raised in the Initial Public Offering of H Shares

In accordance with the approval from the CSRC in the Reply on Approval on the Issuance of Overseas Listed Foreign Shares by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2015] No. 685) (《關於核准华泰證券股份有限公司發行境外上市外資股的批覆》(證監許可[2015] 685號)), the Company completed the issuance of 1,562,768,800 overseas listed foreign shares (H Shares) of par value of RMB1.00 each at a premium to foreign investors in June 2015, with an issuance price of HK\$24.80 per Share. Among which, as of June 1, 2015, the Company made a public offering of 1,400,000,000 H Shares at an issuance price of HK\$24.80 per Share. A total of HK\$34,720,000,000.00 of subscription amount was paid up in cash in HK dollars. After deducting a total of HK\$8,638,729.16 of transaction fees, transaction tax, scrip fees, commission paid to receiving banks and other relevant expenses from the total subscription amount, the proceeds actually received by the Company amounted to HK\$34,711,361,270.84 (equivalent to RMB27,404,619,723.33 as calculated at the central parity rate of HKD against RMB on the collection date of June 1, 2015). As of June 24, 2015, the Company completed the offering of 162,768,800 H Shares pursuant to the partial exercise of over-allotment option of H Shares at an issuance price of HK\$24.80 per Share. A total of HK\$4,036,666,240.00 of subscription amount was paid up in cash in HK dollars. After deducting a total of HK\$310,823.30 of transaction fees, transaction tax, scrip fees, commission paid to receiving banks and other relevant expenses from the total subscription amount, the proceeds actually received by the Company amounted to HK\$4,036,355,416.70 (equivalent to RMB3,183,069,881.61 as calculated at the central parity rate of HKD against RMB on the collection date of June 24, 2015). As of June 24, 2015, the Company actually received an accumulated amount of HK\$38,747,716,687.54 (equivalent to RMB30,587,689,604.94). The aforesaid proceeds have been transferred to the account

APPENDIX II REPORT ON THE USE OF THE PROCEEDS RAISED IN THE PREVIOUS ISSUANCE OF SHARES

for the proceeds raised in the issuance of H Shares numbered 012-875-1-245027-3 of Bank of China (Hong Kong) Limited. KPMG Huazhen LLP has verified the aforesaid actual net proceeds from the issuance of H Shares and issued a Capital Verification Report (KPMG Huazhen Yan Zi No. 1501031).

As of August 31, 2018, the Company has cumulatively utilized a total of HK\$757,366,530.41 out of the proceeds from the issuance of H Shares to be settled and a total of RMB29,445,380,000.00 which has been settled, equivalent to a total of RMB30,046,407,661.24 based on the actual settlement and usage. As of August 31, 2018, the balance of the bank account for H Shares proceeds was HK\$691,815,200.52 (equivalent to RMB601,533,316.85 calculated at the central parity rate of HKD against RMB on such date), HK\$1,465,043.39 (equivalent to RMB1,273,855.23 as calculated at the central parity rate of HKD against RMB on such date) of which was attributable to the interest income of the bank account for H Shares proceeds.

As of August 31, 2018, the proceeds raised in the issuance of H Shares were deposited as below:

Opening bank	Bank account no.	Currency	Balance in original currency	Expressed in RMB equivalent
Bank of China (Hong Kong) Limited	012-875-1-245027-3	HK\$	691,797,139.62	601,517,612.90
Bank of China — Jiangsu Branch (Business Department)	504066945158	HK\$	1,389.13	1,207.85
Industrial and Commercial Bank of China — Xinjiekou Sub-branch	4301010029813300190	HK\$	16,671.77	14,496.10
Agricultural Bank of China — Nanjing Chengbei Sub-branch (Note)	10100013040000723	HK\$	—	—
		Subtotal	691,815,200.52	601,533,316.85

**APPENDIX II REPORT ON THE USE OF THE PROCEEDS RAISED IN
THE PREVIOUS ISSUANCE OF SHARES**

Opening bank	Bank account no.	Currency	Balance in original currency	Expressed in RMB equivalent
Bank of China — Jiangsu Branch (Business Department)	540466891968	RMB	—	—
Industrial and Commercial Bank of China — Xijiekou Sub-branch	4301010029101192288	RMB	—	—
Agricultural Bank of China — Nanjing Chengbei Sub-branch (Note)	10100001040213040	RMB	—	—
		Subtotal	—	—
		Total	<u>691,815,200.52</u>	<u>601,533,316.85</u>

Note: As at March 21, 2016, the capital in the HKD and RMB accounts of Agricultural Bank of China — Nanjing Chengbei Sub-branch were both used up, and the account-cancelling procedures were completed on the same day.

(II) Proceeds Raised in the Non-Public Issuance of A Shares

In accordance with the Approval for the Non-Public Issuance of Shares by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2018] No. 315)《關於核准华泰證券股份有限公司非公開發行股票的批覆》(證監許可[2018]315號)) issued by the CSRC, the Company completed the non-public issuance of 1,088,731,200 ordinary shares denominated in Renminbi (A Shares) in July 2018, with an issuance price of RMB13.05 per Share. The subscription amount were paid up in currency. The total proceeds raised amounted to RMB14,207,942,160.00. After deducting expenses related to the issuance (including underwriting sponsorship fees, legal fees, accountant fees, information disclosure fees, issuance registration fees, stamp duty and other fees) in the amount of RMB74,736,488.79, the actual net proceeds raised amounted to RMB14,133,205,671.21. The aforesaid proceeds have been transferred to the special accounts (account number are 125903648510435、32050159413600001116 and 320006669018010240000) for non-public issuance of A Shares proceeds of the Company on July 31, 2018. KPMG Huazhen LLP has verified the aforesaid actual net proceeds of the non-public issuance of A Shares and issued a Capital Verification Report (KPMG Huazhen Yan Zi No.1800286).

As of August 31, 2018, the Company has cumulatively utilized a total of RMB2,983,843,600.00 out of the proceeds from the non-public issuance of A Shares and the unutilized proceeds from the non-public issuance of A Shares undertaken by the Company amounted to RMB11,149,362,071.21. As of August 31, 2018, the balance of the bank account for A Shares proceeds was RMB11,224,098,560.00.

APPENDIX II REPORT ON THE USE OF THE PROCEEDS RAISED IN THE PREVIOUS ISSUANCE OF SHARES

As of August 31, 2018, the proceeds raised in the non-public issuance of A Shares were deposited as below:

Opening bank	Bank account no.	Currency	Expressed in RMB equivalent
China Merchants Bank Co., Ltd. — Nanjing Branch	125903648510435	RMB	4,224,098,560.00
China Construction Bank Co., Ltd. — Nanjing Daxinggong Sub-branch	32050159413600001116	RMB	4,000,000,000.00
Bank of Communications Company Limited — Jiangsu Branch	320006669018010240000	RMB	3,000,000,000.00
		Total	<u>11,224,098,560.00</u>

II. Actual Use of the Proceeds Raised in the Previous Issuance of Shares

(I) The Comparison Table of the Use of the Proceeds Raised in the Previous Issuance of Shares

1. The Comparison Table of the Use of the Proceeds Raised in the Initial Public Offering of H Shares

The use of the proceeds undertaken in the prospectus for the initial public offering of H Shares of the Company were as follows:

- (1) approximately 60% will be used for the development of capital-based intermediary businesses to meet the increasing investment and financing demands of our clients;
- (2) approximately 10% will be used for the expansion of investment and trading as well as the investment in other financing products permitted by the CSRC;
- (3) approximately 10% will be used for providing additional funding to Huatai Purple Gold Investment Co., Ltd. (hereinafter referred to as “**Huatai Purple Gold**”) and Huatai Securities (Shanghai) Asset Management Co., Ltd. (hereinafter referred to as “**Huatai Asset Management**”) to expand private equity management and asset management businesses;
- (4) approximately 10% will be used for the expansion of overseas business; and
- (5) approximately 10% will be used as working capital and for other general corporate purposes.

As of August 31, 2018, in accordance with its undertakings in the prospectus for the initial public offering of H Shares, the Company has cumulatively utilized a total of HK\$757,366,530.41 out of the proceeds from the issuance of H Shares to be settled and a total of RMB29,445,380,000.00 which has been settled (equivalent to RMB30,046,407,661.24 based on the actual settlement and usage).

APPENDIX II REPORT ON THE USE OF THE PROCEEDS RAISED IN THE PREVIOUS ISSUANCE OF SHARES

As of August 31, 2018, for details of the comparison table of the use of the proceeds raised in the initial public offering of H Shares, please see “Schedule 1: The Comparison Table of the Use of the Proceeds Raised in the Initial Public Offering of H Shares” in this report.

2. **The Comparison Table of the Use of the Proceeds Raised in the Non-Public Issuance of A Shares**

According to the Revised Proposal on the Non-Public Issuance of A Shares disclosed by the Company on November 25, 2017, the use of the proceeds raised in the non-public issuance of A Shares was stated as follows: The proceeds from the non-public issuance are not more than RMB25.51 billion (inclusive). After the deduction of expenses related to the issuance, all the proceeds will be used for replenishing the Company’s capital and working capital to enhance the Company’s market competitiveness and risk resistance capabilities. The main purposes of the proceeds were as follows:

- (1) not more than RMB10 billion will be used for further expansion of the scale of credit trading business such as margin financing and securities lending and securities-backed lending;
- (2) not more than RMB8 billion will be used for expansion of investment in fixed income products and increase of high-quality current asset reserves of the Company;
- (3) not more than RMB3 billion will be used for increasing the investment in the Company’s domestic wholly-owned subsidiaries;
- (4) not more than RMB3 billion will be used for increasing the investment in the Company’s Hong Kong subsidiary and to expand overseas business;
- (5) not more than RMB1 billion will be used for increasing the capital investment in information system to continuously improve the informatization level of the work; and
- (6) not more than RMB510 million will be used for other working capital arrangements.

As the actual net amount of the proceeds raised in the non-public issuance is less than the maximum amount (RMB25.51 billion) of the proposed proceeds, according to the resolution on the granting of authorization for the Board and its authorized persons to consider relevant matters of the non-public issuance of A Shares as approved by the Company at the 2016 annual general meeting and the resolution on extending the validity period of the authorization granted to the Board and its authorized persons to deal with matters in respect of the non-public issuance of A Shares as approved by the Company at the 2017 annual general meeting, the authorized persons (Mr. Zhou Yi (Chairman of the Board and president of the Company), Mr. Jiang Jian (the vice president of the Company), Ms. Shu Ben’e (the finance chief of the Company) and Mr. Zhang Hui (the secretary of the Board)) signed and determined the fund arrangement of each equity investment project according to the actual needs of equity investment projects on August 3, 2018, details of the arrangement are as follows:

APPENDIX II REPORT ON THE USE OF THE PROCEEDS RAISED IN THE PREVIOUS ISSUANCE OF SHARES

- (1) RMB4.8 billion will be used for further expansion of the scale of credit trading business such as margin financing and securities lending and securities-backed lending;
- (2) RMB8 billion will be used for expansion of investment scale in fixed income products and increase of high-quality current asset reserves of the Company;
- (3) RMB500 million will be used for increasing of investment in the Company's domestic wholly-owned subsidiaries;
- (4) RMB100 million will be used for increasing of investment in the Company's Hong Kong subsidiary to expand overseas business;
- (5) RMB300 million will be used for increasing of capital investment to information system to continuously improve the informatization level of our work; and
- (6) RMB433 million will be used for other working capital arrangements.

As of August 31, 2018, for details of the use of the proceeds raised in the non-public issuance of A Shares, please see "Schedule 2: The Comparison Table of the Use of the Proceeds Raised in the non-public issuance of A Shares" in this report.

(II) Changes in the actual investment items funded by the proceeds raised in the previous issuance of Shares

As of August 31, 2018, there was no change in the investment items funded by the proceeds raised in the previous issuance of Shares of the Company.

(III) External transfer or replacement of investment items funded by the proceeds raised in the previous issuance of Shares

As of August 31, 2018, there was no transfer or replacement of investment items funded by the proceeds raised in the previous issuance of Shares of the Company.

(IV) Use of the unutilized proceeds raised in the issuance of Shares

As of August 31, 2018, the unutilized proceeds raised in the previous issuance of Shares of the Company were deposited into the bank account for proceeds and no idle proceeds have been temporarily used for other purposes.

APPENDIX II REPORT ON THE USE OF THE PROCEEDS RAISED IN THE PREVIOUS ISSUANCE OF SHARES

III. The Statement of Economic Performance Realized in the Investment Items Funded by Proceeds Raised in the Previous Issuance of Shares

As of August 31, 2018, the proceeds raised in the previous issuance of Shares of the Company have been partially used for the purposes committed in the initial public issuance of H Shares and the non-public issuance of A Shares by the Company, to replenish the capital and working capital for increasing the Company's market competitiveness and level of risk resistance. Upon the utilization of the proceeds raised in the issuance of Shares, the Company's net assets have been increased. It is unable to independently audit the economic performance realized by the proceeds raised in the issuance of Shares.

IV. Comparison of the Actual Use of Proceeds Raised in the Issuance of Shares with Information Disclosure

There has been no difference between the actual use of the proceeds raised in the previous issuance of Shares by the Company and the relevant matters disclosed by the Company in the periodic reports and other information disclosure documents.

V. Unutilized Proceeds Raised in the Issuance of Shares

As of August 31, 2018, the Company had a total of HK\$691,815,200.52 of unutilized proceeds raised in the issuance of H Shares, which was deposited into the bank account for proceeds raised in the issuance of H Shares, equivalent to RMB601,533,316.85 as calculated at the central parity rate of HKD against RMB on that date. The unutilized proceeds will be used as working capital and for other general corporate purposes.

As of August 31, 2018, the Company had a total of RMB11,149,362,071.21 of unutilized proceeds raised in the non-public issuance of A Shares, which was deposited into the bank account for proceeds raised in the non-public issuance of A Shares. The unutilized proceeds will be used to further expand the scale of credit trading businesses such as margin financing, securities lending and securities-backed lending; expand the investment scale of fixed income products and increase high-quality current asset reserves of the Company; increase investment in the Company's Hong Kong subsidiary and expand overseas businesses; increase capital investment in the information system and continuously improve the informatization level of the work and other working capital arrangements.

The Company will subsequently put the proceeds into use based on its actual needs.

The Board of Huatai Securities Co., Ltd.
September 25, 2018

Schedule 1:

The Comparison Table of the Use of the Proceeds Raised in the Initial Public Issuance of H Shares

As of August 31, 2018

Net proceeds (HK\$0'000): 3,874,771.67				Accumulated amount of utilized proceeds (RMB0'000): 3,004,640.77					
Aggregated proceeds with changed use:		—		Aggregated utilized proceeds each year (RMB0'000):					
Proportion of aggregated proceeds with changed use:		—		2015: 2,593,011.06					
Proportion of accumulated proceeds raised in the issuance of H Shares with changed use:		—		2016: 403,873.94					
				2017: 2,074.60					
				January — August 2018: 5,681.17					
No.	Investment items		Aggregated committed investment amounts of the proceeds raised in the issuance of H Shares		Adjusted Aggregated investment amounts	Accumulated investment amounts of the proceeds as of the end of August 2018			Date on which the items are ready for expected use (or the status of completion of completion on due date)
	Committed investment items	Actual investment items	HK\$0'000	Equivalent to RMB0'000		Committed investment amounts of the proceeds (RMB0'000)	Investment amounts from January 1, 2017 to August 31, 2018 (RMB0'000)	Accumulated investment amounts as of August 31, 2018 (RMB0'000)	
1	For the expansion of capital-based intermediary businesses including margin financing and securities lending	For the expansion of capital-based intermediary businesses including margin financing and securities lending	2,324,862.99	1,835,261.36	N/A	1,835,261.36	—	1,835,261.36	100.00%
2	For the expansion of investment and trading businesses	For the expansion of investment and trading businesses	387,477.17	305,876.90	N/A	305,876.90	—	305,876.90	100.00%
3	To increase the capital of Huatai Purple Gold and Huatai Asset Management	To increase the capital of Huatai Purple Gold and Huatai Asset Management	387,477.17	305,876.90	N/A	305,876.90	—	305,876.90	100.00%
4	For the expansion of overseas businesses	For the expansion of overseas businesses	387,477.17	305,876.90	N/A	305,876.90	—	305,876.90	100.00%
5	As working capital and for other general corporate purposes	As working capital and for other general corporate purposes	387,477.17	305,876.90	N/A	305,876.90	7,755.77	251,748.70	82.30%
	Total		3,874,771.67	3,058,768.96	N/A	3,058,768.96	7,755.77	3,004,640.77	98.23%

Note 1: The amounts include interest income and exchange gains and losses of the unutilized proceeds.

Schedule 2:

The Comparison Table of the Use of the Proceeds Raised in the Non-Public Issuance of A Shares

As of August 31, 2018

Net proceeds (RMB0'000)		1,413,320.57		Accumulated amount of utilized proceeds (RMB0'000)				298,384.36
Aggregated proceeds with changed use during the reporting period		—		Aggregated utilized proceeds each year (RMB0'000)				
Accumulated proceeds with changed use		—		January — August 2018				298,384.36
Proportion of accumulated proceeds with changed use		—						
Investment items		Aggregated investment amounts of the proceeds		Accumulated investment amounts of the proceeds as of August 31, 2018				Date on which the items are ready for expected use (or the status of completion on due date)
No.		Committed investment amounts prior to fund raising (RMB0'000)	Committed investment amounts after fund raising (RMB0'000)	Actual investment amounts (RMB0'000)	Committed investment amounts prior to fund raising (RMB0'000)	Committed investment amounts after fund raising (RMB0'000)	Actual investment amounts (RMB0'000)	
1	To further expand the scale of credit trading businesses such as margin financing, securities lending and securities-backed lending	1,000,000.00	480,000.00	119,000.00	1,000,000.00	480,000.00	119,000.00	24.79%
2	To expand the investment scale of fixed income products and increase high-quality current asset reserves of the Company	800,000.00	800,000.00	129,384.36	800,000.00	800,000.00	129,384.36	16.17%
3	To increase investment in the Company's domestic wholly-owned subsidiaries	300,000.00	50,000.00	50,000.00	300,000.00	50,000.00	50,000.00	100.00%
4	To increase investment in the Company's Hong Kong subsidiary and expand overseas businesses	300,000.00	10,000.00	—	300,000.00	10,000.00	—	0.00%
5	To increase capital investment in the information system and continuously improve the informatization level of the work	100,000.00	30,000.00	—	100,000.00	30,000.00	—	0.00%
6	For other working capital arrangements	51,000.00	43,320.57	—	51,000.00	43,320.57	—	0.00%
Total		2,551,000.00	1,413,320.57	298,384.36	2,551,000.00	1,413,320.57	298,384.36	21.11%