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(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6837)/(Stock Code: 5986/5892)

**INSIDE INFORMATION
AND
RESUMPTION OF TRADING**

This announcement is made by Haitong Securities Co., Ltd. (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

During the recent trading days, the Company has noticed that there has been a significant fluctuation in the Company’s share prices. Based on the Company’s research and discussion on 8 July 2015, the Company has decided that it will implement a series of measures to protect the interest of investors and the market image of the Company. The Company hereby announces relevant issues as below:

1. All businesses of the Company are operated without any abnormalities to date.
2. The liquidity of the Company is sufficient and risk control indicators of the Company (which are set by the Company according to its conditions) are above the regulatory benchmarks.
3. The Company will positively communicate with substantial shareholders and support any relevant plan for the increase of their respective shareholding in the Company.
4. The Company will actively study and implement matters relating to the repurchase of the shares of the Company.
5. The Company will announce its preliminary financial data for the first half of 2015 in ten days, the results of which is expected to have a significant increase as compared with the results for the corresponding period last year.
6. The Company will actively study and facilitate the establishment of employee stock ownership plan or share incentive scheme for the senior management and/or employees of the Company.

SHARE REPURCHASE

Pursuant to the Companies Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures on Administration of Listed Companies' Repurchase of Shares held by the Public (Trial), the Supplementary Provisions on the Share Repurchase by Listed Companies by Means of Aggregate Auction, the Guidelines for Share Repurchase Through Aggregate Auction Transaction by Listed Companies on Shanghai Stock Exchange (Revised in 2013), the Listing Rules and the Share Repurchase Code, the Company has proposed a resolution to repurchase shares, the details of which are set out as below:

1. Purpose of the Share Repurchase

Due to the recent significant fluctuations in the A share and H share markets, in order to protect the interest of investors, the board of directors of the Company (the "**Board**") has resolved to propose a resolution at the general meeting of the Company to consider and approve a proposal relating to the repurchase a portion of the A shares or H shares of the Company (the "**Share Repurchase**"), for cancellation in order to decrease the registered capital of the Company and for implementing plans such as share incentive plans, employee stock ownership plans or share option plans. The Board believes that the Share Repurchase is in the interest of the Company and its shareholders as a whole, and it will help to enhance the investors' confidence in the market and enhance the long-term incentive mechanism of the Company.

2. Approach of the Proposed Share Repurchase

The approach of the Share Repurchase will be aggregate auction, block trading or other approaches as permitted by the regulatory requirements.

3. Price of the Proposed Repurchased Shares

(i) Price

The price for the repurchase of the A shares will not exceed RMB18.80 per share. The price for the repurchase of the H shares will not exceed HKD17.18 per share and should not be higher than the average closing market price over the five trading days preceding the repurchase during which the H shares of the Company were traded on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") by 5% or more. The abovementioned repurchase prices should also comply with requirements applicable to such repurchase price under laws, regulations, the listing rules of the Shanghai Stock Exchange, the Listing Rules and the Share Repurchase Code.

(ii) The Adjustment of Price in relation to Bonus Shares, Capitalization and Cash Dividends during the Share Repurchase

The upper limit of the price for the Share Repurchase will be adjusted from ex-right and ex-dividend date in relation to bonus shares, capitalizing reserves or cash dividends during the share repurchase period.

4. Class, Number and Percentage of the Proposed Share Repurchase

- (i) Class of the Proposed Share Repurchase: A shares or H shares
- (ii) Number of the Shares Proposed to be Repurchased: the current number of the total issued shares of the Company is 11,501.7 million and if the repurchase will take place in full, the estimated total number of shares that may be repurchased should not exceed 1.15 billion and the actual number will depend on the number of shares actually repurchased at the expiry of the repurchase period.
- (iii) Percentage of Shares Proposed to be Repurchased: will not exceed 10% of the total issued share capital of the Company.

5. Proposed Total Fund Amount and Source of Funding for the Share Repurchase

- (i) The Upper Limit of the Total Fund Amount of Funds Proposed to be Used for the Share Repurchase: the estimated total amount should not exceed RMB21.6 billion.
- (ii) Funding Source: the Company's internal resources.

6. Time Limitation of the Share Repurchase

In principle, the effective period for undertaking the Share Repurchase is proposed to be no more than six months after obtaining the approval at the general meeting. The Share Repurchase will be completely implemented if the amount of funds used in the Share Repurchase reaches the upper limit, and the effective period for undertaking the Share Repurchase will therefore expire in advance on that date. During such effective period, the Company will make decisions on implementing and undertaking the Share Repurchase based on the market conditions and opportunities, in accordance with the authorisations granted by the Board and general meeting.

7. Changes in Shareholding Structure after the Share Repurchase (Unit: shares)

Share Class	Number before the Share Repurchase	Percentage	Maximum Number of Shares that may be Repurchased	Number after the Share Repurchase	Percentage
Shares with selling restrictions	0	0	0	0	0
Shares without selling	11,501,700,000	100%	1,150,170,000	10,351,530,000	100%

restrictions					
Total share capital	11,501,700,000	100%	-	10,351,530,000	100%

8. Analysis from the Management on Impacts of the Share Repurchase on Business Operation, Finance and Major Development in the Future

The Company is capable to pay the full consideration for the Share Repurchase by using its own funds. The amount of funds required for undertaking the Share Repurchase will not exceed RMB21.6 billion, which will not materially affect the daily operation of the Company due to the following reasons: as at the end of June 2015, the remaining balance of own funds of the Company was approximately RMB68.6 billion which is capable of paying the full consideration for the Share Repurchase which is not more than RMB21.6 billion. Pursuant to the proposal of Share Repurchase, the consideration will be paid by instalments as appropriate instead of in a lump sum, and the detailed repurchase price and amount will be determined by the Company according to the conditions set out in this resolution with certain flexibility. The normal business activities of the Company will ensure that the Company will be capable of paying the consideration of the Share Repurchase by its own funds.

The financial condition of the Company over the last three years has been good, with a relatively low debt-to-equity ratio. The Company's gearing ratio was 29%, 41% and 68% as at the end of 2012, 2013 and 2014, respectively, showing the strengthened ability of the Company to repay debts. Moreover, the Company has a strong capability for raising external financing. If any new investment opportunities emerge during the Share Repurchase period, the Company will have the capacity to ensure that normal investment opportunities will be supported by external financing and meanwhile guarantee accomplishing the Share Repurchase with own funds.

The Share Repurchase will not only deliver a message that the management has confidence in the intrinsic value of the Company, but will also improve the return per share of the Company, better reflect the continuous increase in performance of the Company and help realize the return and development of shareholder value. The Share Repurchase may help to stabilize the share price of the Company and protect its good image in the capital market, enhance the confidence of public investors, further improve the value of the Company and optimize the benefits of shareholders.

9. Directors, Supervisors and Senior Management of the Company Have Not Traded the Shares of the Company During the Six Months before the Board Approved the Share Repurchase and There Does Not Exist Any Insider Trading or Market Manipulation Individually or Jointly with Other Persons

The Company has registered the files of those people who is aware of inside information according to the Provisions on the Establishment of the System for the Registration and

Management of People in Possession of Inside Information by Listed Companies and will file the same with the Shanghai Stock Exchange according to the relevant requirement.

10. Opinion of Independent Non-executive Directors

The independent non-executive directors of the Company are in the view that the Share Repurchase is in compliance with the laws and regulations, is necessary for improving the value of the Company, is feasible in light of its impact on the Company's finance and operations, and is in the interests of the Company and its shareholders as a whole.

11. Authorisations

Resolutions will be proposed at the general meeting of the Company to authorise the Board to and in turn to authorise the management of the Company to handle the following matters in connection with the Share Repurchase:

- (i) authorise the Board to and in turn to authorise the management of the Company to repurchase the A shares or H shares as appropriate in accordance with the above requirements, including determining the specific class of shares to be repurchased, approach, timing, price, share number and use;
- (ii) authorise the Board to and in turn to authorise the management of the Company to handle matters in connection with amendments to the articles of association of the Company and change of registered capital;
- (iii) authorise the Board to and in turn to authorise the management of the Company to adjust the specific implementation plans and handle other matters in connection with the Share Repurchase in accordance with applicable laws, rules and regulatory requirements; and
- (iv) this authorization shall be effective on and from the date when the shareholders approve the resolution at the general meeting to the date when the authorised matters are completed.

The proposal for the Share Repurchase is subject to the approval of shareholders at general meeting, A share class meeting and H share class meeting, and is required to be filed with China Securities Regulatory Commission before implementation.

ADJUSTMENT TO THE SIZE OF PROPRIETARY EQUITY INVESTMENT OF THE COMPANY

The Board considered and approved the following resolutions:

1. Adjust the size of investment in proprietary equity securities, and adjust the maximum risk exposure position of the investment in proprietary equity securities to not exceeding 35% of net capital.
2. The size of other investments should be maintained within the mandate granted at

the general meeting of the Company held on 9 February 2015.

3. The management of the Company is hereby authorised to flexibly allocate fund scale within the limit of the maximum amount of the proprietary investment according to market opportunities and the actual conditions of the Company, subject to compliance with various regulatory requirements.

AUTHORISATION TO THE MANAGEMENT TO FORMULATE LONG-TERM INCENTIVE PLAN

In order to align the interest of the employees of the Company with those of the Company and its shareholders, protect the interest of investors and the market image of the Company, the Board has authorised the management of the Company to actively study and formulate long-term incentive plans of the Company such as employee stock ownership plan, share option incentive scheme or share award schemes in a timely manner.

SHARE ACQUISITION PLAN ESTABLISHMENT

The Board considered and approved the following resolutions:

1. Agree to the establishment of the share purchase plan (the “**Share Acquisition Plan**”). The total number of shares to be covered in the Share Purchase Plan will not exceed 3% of the total issued share capital of the Company as at the date of this announcement. The shares to be acquired under the plan will be ordinary H shares of the Company that are listed on the Stock Exchange and will be acquired from the secondary market. The funds used for the acquisition of shares will be contributed by participants in the plan based on the remuneration payable by the Company to such persons as at the date of this announcement. The Company will not provide any funding to or financial assistance in the undertaking of the Share Purchase Plan.
2. The management of the Company is hereby authorised to handle all matters in connection with the establishment of the Share Acquisition Plan in accordance with relevant laws, regulations and advice and recommendations from regulatory authorities, within the framework and under the principles approved by the Board, and based upon the general principle of acting in the best interest of the shareholders, including but not limited to:
 - (i) determine and amend the specific plans for the establishment of the Share Acquisition Plan in accordance with applicable laws, regulations and relevant requirements of regulatory authorities, and based on the actual circumstances of the Company, including but not limited to, participants, confer timing, confer conditions, number of shares and the relevant adjustments, etc;
 - (ii) engage qualified entity to assist the Company to implement the Share Acquisition Plan in accordance with applicable laws, regulations and

relevant requirements of regulatory authorities;

- (iii) handle all matters relating to the approval of the Share Acquisition Plan in accordance with applicable rules, including but not limited to processing the domestic and overseas formalities for approval, filing, registration and reporting, as well as the preparation, amendment, delivery and execution of relevant materials, and disclosing the relevant information in accordance with the relevant laws, regulations and the listing rules of the exchanges on which the Company's securities are listed;
- (iv) make relevant amendments to matters relating to the establishment of the Share Acquisition Plan according to advice of and changes in the policies of regulatory authorities or changes in market conditions, unless the Board is required under relevant laws, regulations and the articles of association of the Company to renew its approval;
- (v) deal with other matters in relation to the establishment of the Share Acquisition Plan; and
- (vi) authorise the management of the Company to authorise its authorised persons to specifically handle, jointly or severally on behalf of the Company, all matters relating to the establishment of the Share Acquisition Plan pursuant to the resolution passed and the authorisation granted by the Board.

The above authorisation shall be effective on and from the date when the Board has approved the resolution to the date when the Share Acquisition Plan is fully implemented.

COLLECTIVE INVESTMENT SCHEME

The Board is aware that a portion of directors, supervisors, senior management and employees of the Company are planning to voluntarily invest, with their own funds, in one or a series of collective investment scheme(s) which will be offered to all customers of the Company and intended to primarily invest in A shares or H shares of the Company (as well as other securities). The Company will neither participate in such investment scheme nor provide any financial assistance to the directors, supervisors, senior management and employees in respect of the abovementioned investment scheme (the “**Investment Scheme**”). The Board is of the view that the Investment Scheme does not constitute an employee stock ownership plan or a share option incentive scheme, but it reflects the confidence of those directors, supervisors, senior management and employees in the Company and their recognition of the investment value of the Company. The Board recognises the Investment Scheme.

RESUMPTION OF TRADING

At the request of the Company, trading in the H shares (stock code: 6837) and debt securities (stock code: 5986 and 5892) of the Company was suspended with effect from 9:00 a.m. on 8 July 2015 pending the release of this announcement. An application has

been made to the Stock Exchange for the resumption of trading in the H shares (stock code: 6837) and debt securities (stock code: 5986 and 5892) of the Company with effect from 9:00 a.m. on 9 July 2015.

By order of the board of directors
Haitong Securities Co., Ltd.
WANG Kaiguo
Chairman

Shanghai, the PRC

9 July 2015

As at the date of this announcement, our executive directors are Mr. WANG Kaiguo and Mr. QU Qiuping; our non-executive directors are Ms. YU Liping, Mr. CHEN Bin, Mr. XU Chao, Mr. WANG Hongxiang, Ms. ZHANG Xinmei and Mr. SHEN Tiedong; and our independent non-executive directors are Mr. LIU Cheeming, Mr. XIAO Suining, Mr. LI Guangrong, Mr. LYU Changjiang and Mr. FENG Lun.

** For identification purpose only*