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## 恒 投 證 券

# HENGTOU SECURITIES

*(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name “恒泰证券股份有限公司” and carrying on business in Hong Kong as “恒投證券” (in Chinese) and “HENGTOU SECURITIES” (in English))*

(the “Company”)

(Stock Code: 01476)

## CONNECTED TRANSACTION

### TENANCY AGREEMENT

#### TENANCY AGREEMENT

On 16 December 2023, the Group entered into the Tenancy Agreement with the Lessor, pursuant to which the Group agreed to lease the Premise from the Lessor for a term of 60 months commencing from 16 December 2023 to 15 December 2028 (both days inclusive).

#### IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, SASAC Xicheng District, through Finance Street Group, is interested in approximately 29.99% of the Company's total issued share capital, and therefore a substantial Shareholder of the Company. The Lessor, being a 30%-controlled company indirectly held by SASAC Xicheng District, is an associate of SASAC Xicheng District and therefore a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As such, the transactions contemplated under the Tenancy Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were all otherwise related. The Group and Finance Street Group had entered into other tenancy agreements within a 12-month period preceding the Tenancy Agreement. Accordingly, these transactions shall be aggregated and treated as if they were one transaction. As the highest applicable percentage ratio (as defined under the Listing Rules) in relation to the total rentals under (i) the Tenancy Agreement (standing alone) and (ii) the other tenancy agreements entered between the Group and Finance Street Group during the previous 12 months (in aggregate) exceeds 0.1% but is less than 5%, the Tenancy Agreement is therefore subject to the reporting, announcement and annual review requirements, but is exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **BACKGROUND**

On 16 December 2023, the Group entered into the Tenancy Agreement with the Lessor, pursuant to which the Group agreed to lease the Premise from the Lessor for a term of 60 months commencing from 16 December 2023 to 15 December 2028 (both days inclusive).

## **TENANCY AGREEMENT**

Details of the Tenancy Agreement are set out as below:

<b>Date:</b>	16 December 2023
<b>Lessee:</b>	Hengtai BFSS Branch
<b>Lessor:</b>	Finance Street Xihuan Properties
<b>Premise:</b>	Rooms C515, C517 and C519, 5th floor, Block C, Tongtai Building, No. 33 Financial Street, Xicheng District, Beijing, the PRC
<b>Usage:</b>	office premises
<b>Term:</b>	60 months commencing from 16 December 2023 to 15 December 2028 (both days inclusive)

**Rent:** RMB137,500 per month and an aggregate of RMB8,250,000 for the whole term (inclusive of management fees but exclusive of utility charges and other miscellaneous expenses)

The abovementioned rentals are determined between Hengtai BFSS Branch and the Lessor after their arm's length negotiations with reference to the prevailing market prices with similar locations and sizes to the relevant properties.

**Payment terms:** The rentals shall be payable in advance five days before the beginning of each quarter of the year.

**Utility charges and other miscellaneous expenses:** Hengtai BFSS Branch shall be responsible for all utility charges and other miscellaneous expenses incurred in using the Premise.

**Security Deposit:** Hengtai BFSS Branch is required to pay to the Lessor a sum of RMB412,500 upon the execution of the Tenancy Agreement as security deposit. Such deposit shall be forfeited by the Lessor if Hengtai BFSS Branch failed to perform and observe the covenants, conditions, stipulations and agreements during the whole term of the Tenancy Agreement. The Lessor shall repay such deposit, without interest to Hengtai BFSS Branch after Hengtai BFSS Branch has duly delivered to the Lessor vacant possession of the Premise if Hengtai BFSS Branch has duly performed and observed all the covenants, conditions, stipulations and agreements during the whole term of the Tenancy Agreement.

## **REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT**

The Group has been leasing certain properties and parking lots in Beijing from the associates of SASAC Xicheng District for the Group's offices and/or business uses since 2015. Following the expiration of the relevant tenancy agreements and in order to avoid unnecessary disruptions to the Group's business, the Group entered into the Tenancy Agreement with the Lessor on 16 December 2023.

The Directors (including the independent non-executive Directors) considered that the Tenancy Agreement was entered into in the ordinary and usual course of business of the Group on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

According to the internal regulations relating to connected transactions of the Company, a Director who holds a position in a legal entity that can directly or indirectly control the counterparty of the connected transaction shall abstain from voting on the Board resolutions approving such transaction. Mr. Zhu Yanhui, an executive Director, is the vice chairman and the general manager of Finance Street Investment, Mr. Li Ye, a non-executive Director, is the investment director of Finance Street Investment, and Ms. Yang Qin, a non-executive Director, is the general manager of the strategic development department of Finance Street Investment. To avoid any potential conflict of interest, each of Mr. Zhu Yanhui, Mr. Li Ye and Ms. Yang Qin has abstained from voting on the Board resolutions approving the Tenancy Agreement and the transactions contemplated thereunder. Save for the above, no other Director has a material interest in the transaction contemplated under the Tenancy Agreement, and was required to abstain or had abstained from, voting on the relevant Board resolutions in relation to the Tenancy Agreement and the transactions contemplated thereunder.

## **INFORMATION ON THE GROUP AND THE LESSOR**

The Company and Hengtai BFSS Branch are principally engaged in the securities brokerage business.

Finance Street Xihuan Properties is a subsidiary indirectly held by SASAC Xicheng District as to 90% of its total equity interest. It mainly engages in real estate development and the leasing of office and commercial buildings in Beijing, the PRC.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, SASAC Xicheng District, through Finance Street Group, is interested in approximately 29.99% of the Company's total issued share capital, and therefore a substantial Shareholder of the Company. The Lessor, being a 30%-controlled company indirectly held by SASAC Xicheng District, is an associate of SASAC Xicheng District and therefore a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As such, the transactions contemplated under the Tenancy Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were all otherwise related. The Group and Finance Street Group had entered into other tenancy agreements within a 12-month period preceding the Tenancy Agreement. Accordingly, these transactions shall be aggregated and treated as if they were one transaction. As the highest applicable percentage ratio (as defined under the Listing Rules) in relation to the total rentals under (i) the Tenancy Agreement (standing alone) and (ii) the other tenancy agreements entered between the Group and Finance Street Group during the previous 12 months (in aggregate) exceeds 0.1% but is less than 5%, the Tenancy Agreement is therefore subject to the reporting, announcement and annual review requirements, but is exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“Board”	the board of Directors
“Company”	a joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name “恒泰证券股份有限公司” and carrying on business in Hong Kong as “恒投證券” (in Chinese) and “HENGTOU SECURITIES” (in English)
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Finance Street Group”	collectively, Finance Street Xihuan Properties, Finance Street Capital, Finance Street Investment and Huarong Zonghe Investment, all being subsidiaries of SASAC Xicheng District
“Finance Street Capital”	Beijing Financial Street Capital Operation Investment (Group) Co., Ltd. (北京金融街資本運營集團有限公司), formerly known as Beijing Finance Street Capital Management Centre (北京金融街資本運營中心), which holds 62.06% equity interest in Finance Street Investment and is a subsidiary of SASAC Xicheng District and a substantial Shareholder of the Company

“Finance Street Investment”	Beijing Finance Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司), formerly known as Beijing Finance Street Construction Group Co., Ltd. (北京金融街建設集團), a subsidiary of SASAC Xicheng District and a substantial Shareholder of the Company
“Finance Street Xihuan Properties”	Beijing Finance Street Xihuan Properties Co., Ltd. (北京金融街西環置業有限公司), formerly known as Beijing Xihuan Properties Co., Ltd. (北京西環置業有限公司), a subsidiary of Finance Street Investment and a Shareholder of the Company
“Group”	the Company and its subsidiaries
“Hengtai BFSS Branch”	Beijing Finance Street Securities Branch of Hengtai Securities Co., Ltd. (恒泰證券股份有限公司北京金融大街證券營業部)
“Huarong Zonghe Investment”	Beijing Huarong Zonghe Investment Co., Ltd. (北京華融綜合投資有限公司), formerly known as Beijing Huarong Zonghe Investment Company (北京華融綜合投資公司), a subsidiary of Finance Street Investment and a substantial Shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lessor”	Finance Street Xihuan Properties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	for the purpose of this announcement, the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan

“Premise”	Rooms C515, C517 and C519, 5th floor, Block C, Tongtai Building, No. 33 Financial Street, Xicheng District, Beijing, the PRC, with a total gross floor area of approximately 464.73 square meters
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC Xicheng District”	The State-owned Assets Supervision and Administration Commission of Xicheng District People’s Government of Beijing Municipality (北京市西城區人民政府國有資產監督管理委員會), which holds 100% equity interest in Finance Street Capital
“Shareholder(s)”	the holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 16 December 2023, entered into between Hengtai BFSS Branch and Finance Street Xihuan Properties in relation to the Premise
“%”	per cent

By order of the Board  
**Zhu Yanhui**  
*Chairman*

Beijing, the PRC  
17 December 2023

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