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海通证券股份有限公司  
HAITONG SECURITIES CO., LTD.\*

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6837)**

## **ANNOUNCEMENT IN RELATION TO REPURCHASE OF A SHARES OF THE COMPANY THROUGH CENTRALIZED PRICE BIDDING**

This announcement is made by the board of directors (the “**Board**”) of 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 (Cap. 571, Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Listing Rules.

### **IMPORTANT NOTICE:**

- Purpose of the proposed share repurchase (the “**Share Repurchase**”): To safeguard the value of the Company and the interests of shareholders (the “**Shareholders**”) of the Company
- Total fund amount for the Share Repurchase: The total fund amount for the Share Repurchase is in a range from RMB300 million (inclusive) to RMB600 million (inclusive)
- Period of the Share Repurchase (the “**Repurchase Period**”): Within three months from the date on which the Board considered and approved the repurchase plan (the “**Repurchase Plan**”) of A shares of the Company (the “**A Shares**”)
- Repurchase price: No more than RMB12.78 per share
- Source of funds for the Share Repurchase: The Company’s own funds
- Whether relevant shareholders have plans to decrease their shareholdings: As at the date of this announcement, the directors (the “**Director(s)**”), supervisors (the “**Supervisor(s)**”), senior management and Shareholders holding more than 5% of shares of the Company have no plans to decrease their shareholdings in the Company in the next three and six months. If they have plans to decrease their shareholdings in the future, relevant parties and the Company will perform their information disclosure obligations in strict compliance with relevant provisions of relevant laws, regulations and normative documents.

- Relevant risk warnings:
  1. During the Repurchase Period, the price of the shares (the “**Shares**”) of the Company may continuously exceed the maximum price disclosed under the Repurchase Plan, which leads to a risk of failure in the implementation of the Repurchase Plan;
  2. If there are significant events which have material effect on the trading price of the Shares, there is any significant change in the Company’s production and operation, financial conditions and objective external conditions, or the Board decides to terminate the Repurchase Plan due to other matters, there may be a risk of failure in the successful implementation of the Repurchase Plan or the modification or termination of the Repurchase Plan based on relevant rules;
  3. The Shares to be repurchased by the Company will be sold through centralized price bidding after 12 months from the date of the announcement on the results of the Share Repurchase and changes in the Shares and the sale will be completed within three years from the date of the announcement on the results of the Share Repurchase and changes in the Shares. If the Company fails to complete the sale within the above period, the portion of the Shares that have not been sold will be cancelled after performing relevant procedures;
  4. If regulatory authorities issue new normative documents on repurchase, there may be a risk of the adjustment to the corresponding terms of the Share Repurchase in the process of implementation based on the latest requirements of the regulatory authorities.

During the Repurchase Period, the Company will make and implement the repurchase decision as and when appropriate based on market conditions and perform its information disclosure obligations in a timely manner in respect of the progress of the Share Repurchase. Investors are advised to pay attention to investment risks.

In accordance with relevant requirements of the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Opinions on Supporting Repurchase Shares by Listed Company (《關於支持上市公司回購股份的意見》), the Rules for Share Repurchase of Listed Companies (Revised in 2023) (《上市公司股份回購規則(2023年修訂)》), the Self-Regulatory Supervision Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases (Revised in December 2023) (《上海證券交易所上市公司自律監管指引第7號－回購股份(2023年12月修訂)》) and other laws, regulations and normative documents, based on the confidence in the sustained and stable development of the Company in the future and the recognition on value of the Shares, the Company intends to repurchase A Shares from the secondary market through centralized price bidding to safeguard the value of the Company and the interests of Shareholders. Specific contents are as follows:

## **I. Consideration and implementation procedures of the Repurchase Plan**

### **(I) Consideration by the Board**

On 30 January 2024, the Company convened the third meeting (extraordinary meeting) of the eighth session of the Board, at which the Resolution on the Plan of Repurchase of A Shares of the Company through Centralized Price Bidding was considered and approved. All the Directors participated in the voting and approved the resolution with the voting results of 10 affirmative votes, no dissenting and abstaining vote. Independent non-executive Directors unanimously and independently agreed on the resolution.

## **(II) Submission of the Repurchase Plan to the general meeting for consideration**

Pursuant to the Articles of Association of Haitong Securities Co., Ltd. (the “**Articles of Association**”), the Rules for Share Repurchase of Listed Companies (Revised in 2023), the Self-Regulatory Supervision Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases (Revised in December 2023) and other relevant regulations, the Repurchase Plan is not required to be submitted to the general meeting of the Company for consideration and approval.

The above-mentioned timetable and procedures for consideration meet the Self-Regulatory Supervision Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases (Revised in December 2023) and other relevant regulations.

## **(III) Relevant conditions to fulfill for the Share Repurchase**

The Share Repurchase by the Company meets the conditions provided under paragraph 2 of Article 2 of the Self-Regulatory Supervision Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases (Revised in December 2023):

The Share Repurchase required for safeguarding the value of the Company and the interests of Shareholders shall meet one of the following conditions:

1. The closing price of the shares is lower than its latest net assets per share;
2. A cumulative decline of 20% in the closing price of the shares over a period of 20 consecutive trading days;
3. The closing price of the shares is lower than 50% of its highest closing price for the latest year;
4. Other conditions as prescribed by the China Securities Regulatory Commission (the “**CSRC**”).

The Share Repurchase meets the conditions provided under Article 11 of the Self-Regulatory Supervision Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases (Revised in December 2023):

A listed company shall meet the following conditions for repurchasing shares:

1. The shares have been listed for six months;
2. The company has no major violations of laws in the last one year;
3. After the share repurchase, the company has the debt repayment capability and the ability to continue as a going concern;
4. After the share repurchase, the company’s shareholding distribution should, in principle, meet the listing requirements; and where the company proposes to terminate the listing and trading of its shares through the share repurchase, it shall comply with relevant provisions; and
5. Other conditions as prescribed by the CSRC and the stock exchange.

## **II. Major contents of the Repurchase Plan**

### **(I) Purpose and use of the Share Repurchase of the Company**

In order to safeguard the value of the Company and the interests of Shareholders and promote the healthy, stable and sustainable development of the Company, based on the confidence in the sustained and stable development of the Company in the future and the recognition on the value of the Shares and in combination with the Company's development strategies, operation and financial conditions, the Company proposes to repurchase its A Shares through centralized price bidding with its own funds.

### **(II) Type of the Shares proposed to be repurchased**

RMB-denominated ordinary Shares (A Shares) issued by the Company

### **(III) Method of the Proposed Share Repurchase**

Centralized price bidding

### **(IV) Repurchase Period**

1. The Repurchase Period shall be within three months from the date on which the Board considered and approved the plan on the repurchase of A Shares. During the Repurchase Period, if the Shares are suspended from trading for more than 10 consecutive trading days due to the planning of major events, the implementation of the Repurchase Plan will be postponed, and disclosure will be made in a timely manner after the resumption of trading of the Shares.

The Repurchase Period expires in advance if the following conditions are met:

- (1) If the amount of fund used for the Share Repurchase reaches the maximum limit within the Repurchase Period, the Repurchase Plan shall be completed and the Repurchase Period shall expire in advance from that date;
- (2) If the Board resolves to terminate the Repurchase Plan, the Repurchase Period shall expire in advance from the date of the Board's resolution on the termination of the Repurchase Plan.

The Company will make decision on and implement the Share Repurchase at the appropriate timing based on market conditions within the Repurchase Period based on the authorization of the Board and will carry out the implementation in accordance with relevant laws, regulations and rules of the CSRC and the stock exchange on which the Shares of the Company are listed.

2. The Company shall not repurchase its Shares within the following periods:
  - (1) From the date of occurrence or the decision-making process of a significant event that may have material impact on the price of securities and its derivatives of the Company to the date of disclosure thereof in accordance with the laws;
  - (2) Other circumstances as prescribed by the CSRC and the stock exchange on which the Shares of the Company are listed.

**(V) Total fund amount and number of the Shares proposed to be repurchased and proportion in the Company's total share capital**

Total fund amount for the Share Repurchase: Ranging from RMB300 million (inclusive) to RMB600 million (inclusive).

Number of the Shares to be repurchased: Calculated based on the lower limit of the amount of the Share Repurchase of RMB300 million and the upper limit of the repurchase price of RMB12.78 per Share, the number of the Shares to be repurchased is approximately 23.47 million Shares, accounting for approximately 0.18% of the total share capital of the Company as of the date of this announcement. Calculated based on the upper limit of the amount of the Share Repurchase of RMB600 million and the upper limit of the repurchase price of RMB12.78 per Share, the number of the Shares to be repurchased is approximately 46.95 million Shares, accounting for approximately 0.36% of the total share capital of the Company as of the date of this announcement.

<b>Purpose of the Share Repurchase</b>	<b>Number of A Shares proposed to be repurchased (0'000 shares)</b>	<b>Proportion in the total share capital of the Company (%)</b>	<b>Total fund amount for the Share Repurchase (RMB100 million)</b>	<b>Repurchase Period</b>
To safeguard the value of the Company and the interests of Shareholders	2,347-4,695	0.18-0.36	3-6	Within three months from the date on which the Board of the Company considered and approved the Repurchase Plan of A Shares

The specific number of the Shares repurchased under the Share Repurchase and the proportion in the total share capital of the Company are subject to the actual repurchase by the Company upon the completion of the Share Repurchase or the expiry of the Repurchase Period. During the Repurchase Period, if the Company implements any ex-entitlement and ex-dividend events including conversions of capital reserve into share capital, distributions of bonus Shares or cash dividend, reduction of the number of the Shares and rights issue, the Company will correspondingly adjust the number of the Shares to be repurchased pursuant to the relevant regulations of the CSRC and the stock exchange on which the Shares of the Company are listed.

## (VI) Price for the Share Repurchase

The price for the Share Repurchase will be no more than RMB12.78 per Share and the maximum price will not exceed 150% of the average trading price of the Company's A Shares in the 30 trading days before the resolution on the Share Repurchase passed by the Board. The specific repurchase price shall be determined by the management of the Company during the implementation of the repurchase, taking into account the price of the Shares in secondary market, financial position and operating conditions of the Company.

## (VII) Total fund amount and source of funds for the Share Repurchase

The total fund amount for the Share Repurchase is in a range from RMB300 million (inclusive) to RMB600 million (inclusive). The source of funds is its own funds.

## (VIII) Prospective changes in the Company's shareholding structure after the Share Repurchase

Upon the completion of the Share Repurchase and depending on the number of the Shares to be repurchased calculated based on the lower limit of RMB300 million (inclusive), the upper limit of RMB600 million (inclusive) and the maximum repurchase price, the number of circulating A Shares not subject to selling restrictions of the Company will reduce by 23.47 million Shares to 46.95 million Shares correspondingly and they will be converted into treasury Shares of the Company. The total share capital of the Company will not change. After the Company sells the Shares repurchased according to the requirements of relevant applicable laws and regulations subsequently, the Shares repurchased will be converted into circulating Shares not subject to selling restrictions and the shareholding structure of the Company will not change.

Assuming that the number of the Shares to be repurchased is calculated based on the upper limit of RMB600 million and the maximum repurchase price of RMB12.78 per Share, the number of the Shares to be repurchased is 46,948,356 Shares, all of which will be converted into treasury shares of the Company. The total share capital of the Company will remain unchanged and particulars of the changes in the Company's share capital are as follows:

Type of Shares	Number (shares)	Proportion (%)	Increase/ decrease (shares)	Number (shares)	Proportion (%)
A Shares	9,654,631,180	73.90%	–	9,654,631,180	73.90%
– Circulating Shares	8,831,873,713	67.60%	– 46,948,356	8,784,925,357	67.24%
– Restricted Shares	822,757,467	6.30%	+ 46,948,356	869,705,823	6.66%
H Shares	3,409,568,820	26.10%	–	3,409,568,820	26.10%
Total	<u>13,064,200,000</u>	<u>100%</u>	<u>–</u>	<u>13,064,200,000</u>	<u>100%</u>

If the Company fails to implement the foregoing sale within three years after the completion of the Share Repurchase, it will perform relevant procedures on the portion of the Shares that have not been sold for cancellation and the total share capital and circulating Shares not subject to selling restrictions of the Company will reduce correspondingly.

The specific number of the Shares repurchased and the actual changes in the shareholding structure of the Company are subject to the subsequent implementation.

**(IX) Analysis on the possible impact of the Share Repurchase on the Company's daily operation, financial conditions, research and development, profitability, debt repayment capability, future development and maintenance of listing status**

The Company has sound financial conditions and profitability. As at 30 September 2023 (unaudited), the total assets, net assets attributable to the shareholders of the parent company and monetary funds (after deducting deposits from customers) of the Company were RMB736,173 million, RMB166,979 million and RMB52,182 million, respectively. In the first three quarters of 2023, the Company realized a revenue of RMB22,574 million and a net profit attributable to the shareholders of the parent company of RMB4,362 million.

Calculated based on the upper limit of the total fund for the Share Repurchase of RMB600 million, the proportion of the fund for the Share Repurchase in the total assets, the net assets attributable to the shareholders of the parent company and monetary funds (after deducting deposits from customers) of the Company was 0.08%, 0.36% and 1.15%, respectively. Based on the above financial data and considering the steady operation and the risk control of the Company and other factors, the Company believes that the Share Repurchase will not have material effect on the operation, financial conditions and future development of the Company.

The source of funds for the Share Repurchase is the Company's own funds and will have no material impact on the Company's debt repayment capability. The Share Repurchase is to safeguard the value of the Company and the interests of Shareholders and will not prejudice the Company's debt repayment capability and the ability to continue as a going concern.

The completion of the Share Repurchase will not result in changes in the control over the Company. The shareholding distribution of the Company will meet the conditions for listed companies after the Share Repurchase and it will not affect the listing status of the Company.

**(X) Opinions of the independent non-executive Directors on the matters relating to the compliance, necessity, rationality and feasibility of the Repurchase Plan**

1. The Company's Share Repurchase complies with relevant provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Opinions on Supporting Repurchase Shares by Listed Company, the Rules for Share Repurchase of Listed Companies (Revised in 2023) and the Self-Regulatory Supervision Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases (Revised in December 2023) and other relevant laws, regulations and normative documents. The voting procedures at the Board meeting comply with relevant provisions of relevant laws, regulations and the Articles of Association.
2. The implementation of the Share Repurchase by the Company is in line with the actual operation and financial conditions of the Company and is conducive to safeguarding the value of the Company and the interests of Shareholders, promoting the healthy, stable and sustainable development of the Company and protecting the long-term interests of investors. The Share Repurchase of the Company is necessary.
3. The Company proposed to use its own funds for the Share Repurchase. The total fund amount for the Share Repurchase is in a range from RMB300 million (inclusive) to RMB600 million (inclusive), the proportion of which in the scale of the Company's total assets is small. It will not have material impact on the daily operation, debt repayment capability and profitability of the Company and will not affect the listing status of the Company. The Share Repurchase of the Company is feasible.
4. The Share Repurchase is implemented through centralized price bidding. It will not prejudice the interests of the Company and all of its Shareholders, especially the interests of the minority Shareholders.

In summary, all the independent non-executive Directors are of the view that the repurchase of A Shares by the Company is legal and in compliance with regulations, and that the Repurchase Plan is necessary and feasible and in the interests of the Company and all Shareholders. Therefore, the independent non-executive Directors have approved the plan on the repurchase of A Shares.



**(XI) Explanation on whether the Directors, Supervisors and senior management of the listed company had dealt in the Company's Shares within 6 months before the Board approved the resolution on the Share Repurchase, whether they have any conflicts of interest in the Repurchase Plan and whether there is any insider trading, market manipulation or plans to increase or decrease their shareholdings in the Company during the Repurchase Period**

Upon self-inspections, the Directors, Supervisors and senior management of the Company did not deal in the Company's shares within 6 months before the Board approved the resolution on the Share Repurchase. They have no conflicts of interest in the Repurchase Plan, and there is no insider trading or market manipulation. The abovementioned persons have no plans to increase or decrease their shareholdings during the Repurchase Period. If the abovementioned persons have plans to increase or decrease their shareholdings subsequently, the Company will perform its information disclosure obligations in a timely manner in strict compliance with the provisions of relevant laws and regulations.

**(XII) Details of the listed company's inquiry on whether the Directors, Supervisors, senior management and Shareholders holding more than 5% of Shares have any plans to decrease their shareholdings in the Company in the next three and six months**

Upon inquiry, the Directors, Supervisors, senior management and Shareholders holding more than 5% of Shares of the Company have no plans to decrease their shareholdings in the Company in the next three and six months. If relevant persons propose to implement the plans on decreasing their shareholdings in the future, the Company will perform its information disclosure obligations in a timely manner in accordance with relevant regulations.

**(XIII) Relevant arrangements for the cancellation or transfer of the repurchased Shares according to laws**

The Shares repurchased will be sold through centralized price bidding after 12 months from the date of the announcement on the results of the Share Repurchase and changes in the Shares. If the Company fails to complete the sale of the Shares repurchased within three years after the date of the announcement on the results of the Share Repurchase and changes in the Shares, the Shares that have not been sold will be cancelled.

**(XIV) Relevant arrangements for the protection of the interests of the creditors of the Company**

The Share Repurchase is to safeguard the value of the Company and the interests of Shareholders. It will not affect the Company's normal operation on an on-going basis and will not lead to the Company to become insolvent. In case of the cancellation of Shares, the Company will notify the creditors and perform other legal procedures in accordance with the provisions of the Company Law of the People's Republic of China and other relevant laws and regulations to fully guarantee the legitimate rights and interests of creditors.

**(XV) Specific authorization to the management for handling matters relating to the Share Repurchase, including specific circumstances of the implementation of the Share Repurchase, the authorization period and other contents**

In order to efficiently coordinate specific matters in the process of the Share Repurchase in an orderly manner, the Board authorized the management to handle specific matters related to the Share Repurchase to the extent permitted by relevant laws, regulations and normative documents as well as following the framework and principles of the Repurchase Plan considered and approved by the Board. The contents and scope of the authorization include but are not limited to:

1. Setting up a specific securities account for repurchase and handling other related matters;
2. Repurchasing the Shares at the appropriate timing within the Repurchase Period, including the specific time and price of the Share Repurchase and the number of the Shares to be repurchased;
3. Handling relevant approval matters, including but not limited to formulating, modifying, authorizing, signing and executing all necessary documents, contracts and agreements related to the Share Repurchase;
4. Authorizing the management of the Company to make corresponding adjustments to the specific plan on the Share Repurchase and other relevant matters if there are changes in the policies of regulatory authorities on share repurchase or market conditions, except for the matters that are required to be re-voted by the Board as stipulated in the relevant laws, regulations and the Articles of Association;
5. Handling other matters not listed above but necessary for the Share Repurchase in accordance with relevant provisions of applicable laws, regulations and relevant rules of regulatory authorities.

The above authorization shall remain valid from the date on which the Board considered and approved the Repurchase Plan till the completion of the handling of the above authorized matters.

### III. Uncertainty Risk in relation to the Repurchase Plan

- (I) During the Repurchase Period, the price of the Shares may continuously exceed the maximum price disclosed under the Repurchase Plan, which leads to a risk of failure in the implementation of the Repurchase Plan;
- (II) If there are significant events which have material effect on the trading price of the Shares, there is any significant change in the Company's production and operation, financial conditions and objective external conditions, or the Board of the Company decides to terminate the Repurchase Plan due to other matters, there may be a risk of failure in the successful implementation of the Repurchase Plan or the modification or termination of the Repurchase Plan based on relevant rules;
- (III) The Shares to be repurchased by the Company will be sold through centralized price bidding after 12 months from the date of the announcement on the results of the Share Repurchase and changes in the Shares and the sale will be completed within three years from the date of the announcement on the results of the Share Repurchase and changes in the Shares. If the Company fails to complete the sale within the above period, the portion of the Shares that have not been sold will be cancelled after performing relevant procedures;
- (IV) If regulatory authorities issue new normative documents on repurchase, there may be a risk of the adjustment to the corresponding terms of the Share Repurchase in the process of implementation based on the latest requirements of the regulatory authorities.

During the Repurchase Period, the Company will make and implement the repurchase decision as and when appropriate based on market conditions and perform its information disclosure obligations in a timely manner in respect of the progress of the Share Repurchase. Investors are advised to pay attention to investment risks.

By order of the Board  
**Haitong Securities Co., Ltd.**  
**ZHOU JIE**  
*Chairman*

Shanghai, the PRC  
30 January 2024

*As at the date of this announcement, the executive directors of the Company are Mr. ZHOU Jie and Mr. LI Jun; the non-executive directors of the Company are Mr. TU Xuanxuan, Mr. SHI Lei, Ms. XIAO Hehua and Mr. XU Jianguo; and the independent non-executive directors of the Company are Mr. ZHOU Yu, Mr. FAN Ren Da Anthony, Mr. MAO Fugen and Mr. MAO Huigang.*

\* *For identification purpose only*