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海通証券股份有限公司
HAITONG SECURITIES CO., LTD.*

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

ANNOUNCEMENT

PROJECTED ROUTINE RELATED PARTY TRANSACTIONS/ CONNECTED TRANSACTIONS IN 2024 AND PROPOSED ESTIMATED INVESTMENT AMOUNT FOR THE PROPRIETARY BUSINESS OF THE COMPANY FOR 2024

The board (the “**Board**”) of directors (the “**Director(s)**”) of Haitong Securities Co., Ltd. (the “**Company**”) and its subsidiaries (collectively the “**Group**”) hereby announces that:

I. PROJECTED ROUTINE RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS IN 2024

The Company has been approved by the China Securities Regulatory Commission to engage in securities business and provide trading and intermediary services for securities and other financial products. The transaction counterparties and the target clients may also include related parties/ connected persons of the Company. For the purposes of sound management and information disclosure for its related party transactions/ connected transactions, the Company, in accordance with the Company Law of the PRC (《中華人民共和國公司法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》) (the “**Shanghai Stock Exchange Listing Rules**”), the Guidelines No.5 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號 – 交易與關聯交易》), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and requirements of other laws and regulations, as well as the Articles of Association and the Management Measures for Related Party Transactions of the Company (《公司關聯交易管理辦法》), has made projections about its routine related party transactions/ connected transactions to be conducted in 2024 based on the need of its routine operations and business development.

(I) Approval Procedures for Related Party/Connected Transactions

1. Approval by the Board

The Company held the fourth meeting of the eighth session of the Board on 28 March 2024, at which the Board considered and approved the Proposal Regarding Projected Routine Related Party/ Connected Transactions of the Company in 2024.

2. Approval at the special meeting of the independent Directors

The Company held a special meeting of independent Directors on 27 March 2024, at which all the independent non-executive Directors considered and approved the Proposal Regarding Projected Routine Related Party/ Connected Transactions of the Company in 2024. The independent non-executive Directors were of the view that: (1) the projected related party/ connected transactions of the Company in 2024 are publicly available services or transactions provided by the Company in the securities market, and are conducted in the ordinary course of business of the Company at fair price, without prejudice to the interests of the Company or its minority shareholders; (2) carrying out the relevant business activities will promote the Company's business growth, and is in line with the Company's practical business needs and conducive to the Company's long-term development; and (3) relevant related party transactions should be disclosed in relevant periodic reports of the Company under the Shanghai Stock Exchange Listing Rules.

This proposal is subject to the consideration and approval at the annual general meeting of the Company (the "AGM"). The related shareholders shall abstain from voting on the proposal regarding routine related party/connected transactions at the AGM where the proposal is considered.

(II) Implementation of Routine Related Party Transactions/ Connected Transactions of the Company in 2023

1. Continuing connected transactions under the Hong Kong Listing Rules

The Company and Shanghai Guosheng (Group) Co., Ltd. ("**Shanghai Guosheng Group**") and its associates entered into the Related Party/ Connected Transaction Framework Agreement between Shanghai Guosheng (Group) Co., Ltd. and Haitong Securities Co., Ltd. (the "**New Framework Agreement**") on 30 December 2022. The New Framework Agreement specified the scope, pricing basis and approval and supervision procedures of the connected transactions and related services and estimated the annual caps for such continuing connected transactions for the period from 2023 to 2025.

The aforesaid New Framework Agreement was considered and approved at the 34th meeting of the seventh session of the Board (extraordinary meeting). Pursuant to relevant laws and regulations and internal rules of the Company, Mr. TU Xuanxuan, a related/connected Director, has abstained from voting thereon, and the independent non-executive Directors have expressed their prior approval opinions and independent opinions with respect to the signing of the New Framework Agreement. The Company has announced and disclosed the relevant Board approvals and signing of the New Framework Agreement in accordance with the relevant requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

In 2023, the continuing connected transactions in relation to the securities and financial products transactions (the “**Securities and Financial Products Transactions**”) and the securities and financial services (the “**Securities and Financial Services**”) conducted between the Group and Shanghai Guosheng Group and its associates are as follows:

Unit: RMB’0,000

Transaction	Estimated annual cap for 2023	Actual transaction amount for 2023
Securities and Financial Products Transactions		
Inflow ⁽¹⁾	250,000.00	12,261.22
Outflow ⁽²⁾	210,000.00	333.06
Securities and Financial Services		
Revenue derived	10,000.00	950.59
Expenses paid	3,000.00	147.22

Note: (1) “Inflow” refers to the total amount of cash inflows of the Group arising from the Securities and Financial Products Transactions, including the sale of fixed income products and equity products, the interest to be received from derivatives related to fixed income products and borrowing/repurchase through financing transactions.

(2) “Outflow” refers to the total amount of cash outflows of the Group arising from the Securities and Financial Products Transactions, including the purchase of fixed income products and equity products, the interest to be paid for derivatives related to fixed income products and lending/reverse repurchase through financing transactions.

The overseas auditor engaged by the Company, PricewaterhouseCoopers, has performed review procedures on the above continuing connected transactions, and issued an assurance report to the Board confirming that: (1) nothing has come to its attention that caused it to believe that the disclosed continuing connected transactions have not been approved by the Board; (2) for the transactions involving provision of goods or services by the Group, nothing has come to its attention that caused it to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group; (3) nothing has come to its attention that caused it to believe that the transactions were not entered into, in all material respects, in accordance with the agreements governing such transactions; and (4) in relation to the total amount of continuing connected transactions set out in the above table, nothing has come to its attention that caused it to believe that the amount of such continuing connected transactions exceeded the annual caps set by the Company.

The independent non-executive Directors have reviewed the above continuing connected transactions, and confirmed that such transactions were entered into (1) in the usual course of business of the Group; (2) on normal commercial terms or better; and (3) in accordance with the agreements governing such transactions, the terms of which are fair and reasonable, and are in the interest of the shareholders as a whole.

2. Routine related party transactions under the Shanghai Stock Exchange Listing Rules

(1) *Related party transactions with Shanghai Guosheng (Group) Co., Ltd. and Shanghai Guosheng Group Assets Co., Ltd.*

Unit: RMB'0,000

Transaction	Transaction amount for 2023	Percentage of the amount of similar transactions	Remarks
Net fee and commission income	181.03	0.02%	Asset management fee and commission income received from related parties
Net fee and commission income	37.93	0.00%	Securities trading fee and commission income received from related parties
Net interest income	47.74	0.01%	Net interest income from margin deposits of related parties
Net gains or losses from trading of derivative financial instruments <i>(Note)</i>	120.09	0.34%	During the Reporting Period, the amount of notional principal was RMB109 million As at the end of the Reporting Period, the balance of notional principal was RMB52 million

Note: The realized and unrealized investment income generated from trading of derivatives between the related parties as the counterparties and the Company, with losses shown as negative values.

Unit: RMB'0,000

Item	Balance as at 31 December 2023	Percentage of the amount of similar transactions	Remarks
Accounts receivable	49.49	0.00%	Balance of service fees receivable from related parties
Accounts payable	5,161.44	0.34%	Balance of margin deposits payable to related parties on derivative financial instruments
Accounts payable to brokerage clients	0.02	0.00%	Balance of margin deposits from clients placed by related parties
Derivative financial assets	159.11	0.07%	Balance of derivative financial assets generated from trading of derivatives with related parties

(2) *Related party transactions with companies (other than the Company and its subsidiaries), where the Company's Directors, supervisors and senior management served as directors or senior management, and other related corporate legal persons*

Unit: RMB'0,000

Transaction	Transaction amount for 2023	Percentage of the amount of similar transactions	Remarks
Fee and commission income	17,850.97	1.91%	Income from asset management business, income from sales service and income from investment consulting service received from related parties

Transaction	Transaction amount for 2023	Percentage of the amount of similar transactions	Remarks
Fee and commission income	13.21	0.00%	Securities trading fee and commission income received from related parties
Interest income from margin deposits	51.52	0.01%	Interest income from margin deposits of related parties
Interest income from bank deposits	3,553.55	0.90%	Interest income from bank deposits of related parties
Interest expenses on credit repo transactions	155.68	0.45%	During the Reporting Period, the amount of credit repo transactions was RMB8,000 million Period: 1-7 days
Interest expenses on securities lending transactions	94.13	0.08%	During the Reporting Period, the amount of securities lending transactions was RMB3,650 million Period: 1 day-11 months
Interest expenses on repurchase transactions	16.67	0.01%	During the Reporting Period, the amount of repurchase transactions was RMB1,300 million Period: 1-7 days
Interest expenses on gold leasing	3,073.71	2.58%	During the Reporting Period, the amount of gold leasing was RMB4,740 million Period: 356-365 days

Transaction	Transaction amount for 2023	Percentage of the amount of similar transactions	Remarks
Interest expenses on bank loans	3,010.66	0.76%	Interest expenses on bank loans paid to related parties
Business and management expenses	54.29	0.00%	Expenses such as fund sales service fees paid to related parties
Net gains or losses from trading of derivative financial instruments (Note)	-639.97	-1.82%	During the Reporting Period, the amount of notional principal was RMB77,132 million As at the end of the Reporting Period, the balance of notional principal was RMB10,719 million

*Note:*The realized and unrealized investment income generated from trading of derivatives between the related parties as the counterparties and the Company, with losses shown as negative values.

Unit: RMB'0,000

Item	Balance as at 31 December 2023	Percentage of the amount of similar transactions	Remarks
Bank deposits	362,119.50	2.64%	Balance of bank deposits placed by the Company with related parties
Accounts receivable	1,305.31	0.11%	Balance of performance fees and prepaid business margin receivable from related parties

Derivative financial assets	1,242.82	0.55%	Balance of derivative financial assets generated from trading of derivatives with related parties
Accounts payable to brokerage clients	4,561.76	0.04%	Balance of margin deposits from clients placed by related parties
Short-term borrowings	181,995.34	5.86%	Balance of short-term borrowings granted by related parties to the Company
Long-term borrowings	32,077.24	0.76%	Balance of long-term borrowings granted by related parties to the Company
Accounts payable	6.14	0.00%	Balance of service fees and unpaid business margin payable to related parties
Financial assets sold under repurchase agreements	483,528.24	4.30%	Balance of financial assets sold under repurchase agreements arising from gold leasing business with related parties
Derivative financial liabilities	1,336.14	1.12%	Balance of derivative financial liabilities generated from trading of derivatives with related parties
Financial liabilities held for trading	286.93	0.01%	Balance of financial liabilities held for trading generated from trading of derivatives with related parties

Certain related legal persons which are securities companies, carried out spot trading with the Company as qualified counterparties. During the Reporting Period, the total trading amount was RMB39,958 million.

(III) Projected Transaction Amount and Transaction Type of the Routine Related Party Transactions/Connected Transactions

The Company estimated the routine related party transactions/connected transactions for the year of 2024 and for the period ending conclusion of the 2024 annual general meeting.

1. Shanghai Guosheng Group and its Associates

The Company entered into the Related Party Transactions/Connected Transaction Framework Agreement between Shanghai Guosheng (Group) Co., Ltd. and Haitong Securities Co., Ltd. with Shanghai Guosheng Group and its Associates, which has been approved at the 34th meeting (extraordinary meeting) of the seventh session of the Board, according to the Hong Kong Listing Rules and the Shanghai Stock Exchange Listing Rules. Such agreement was signed by the Company with Shanghai Guosheng Group on 30 December 2022, to assess the continuing connected transactions/related party transaction caps for 2023-2025.

Type of transaction	Scope of transaction	Caps for and descriptions of projected transaction
Securities and Financial Products Services	To be implemented according to the framework agreement signed on 30 December 2022	To be implemented according to the framework agreement signed on 30 December 2022, and the transaction amounts are subject to the 2024 annual caps agreed in the agreement.
Securities and Financial Products Transactions	To be implemented according to the framework agreement signed on 30 December 2022	To be implemented according to the framework agreement signed on 30 December 2022, and the transaction amounts are subject to the 2024 annual caps agreed in the agreement.

2. *Related party transactions with companies (other than the Company and its subsidiaries), where the Company's Directors, supervisors and senior management hold positions as directors or senior management, and other related corporate legal persons*

Type of transaction	Scope of transaction	Caps for and descriptions of projected transaction
Securities and Financial Product Services	Providing securities and futures brokerage services, lease of trading rights, targeted asset management services, asset custody and operation outsourcing services to related parties; bank deposits and deposit interest in related parties; providing third-party fund depository services by related parties; agency sale of financial products of related parties; providing underwriting, sponsorship and financial consultation services to related parties; providing stock pledge, margin financing and securities lending services to related parties; providing investment consultation services to related parties; related parties providing banking credit, borrowing and other services to the Company; providing financial leasing to related parties; paying dividends to related parties and making joint investment with related parties.	Due to uncertainties of the occurrence and volume of such business, the projected cap will be the actual transaction amount.

Type of transaction	Scope of transaction	Caps for and descriptions of projected transaction
Securities and Financial Product Transactions	Resale or repurchase in the interbank market with related parties; conducting bond proprietary trading in the interbank market with related parties; carrying out receivables transfer with related parties; subscribing for bonds, funds, wealth management products or trust plans issued by related parties; related parties subscribing for funds, asset management plans, wealth management products, over-the-counter derivatives and private placement bonds issued by the Company; conducting transfer of the listed shares in the NEEQ with related parties and making joint investment with related parties.	Due to uncertainties of the occurrence and volume of such business, the projected cap will be the actual transaction amount.

(IV) Background of the Related Parties and their Related Parties Relationship in respect of the Related Party Transactions/ Connected Transactions in 2024

1. *Shanghai Guosheng (Group) Co., Ltd. and its Associates*

Shanghai Guosheng (Group) Co., Ltd. is a large state-owned investment holding company focusing on capital operation, which was established in April 2007. As at 31 December 2023, Shanghai Guosheng (Group) Co., Ltd. and its wholly-owned subsidiary, Shanghai Guosheng Group Assets Co., Ltd., in aggregate held 10.38% equity interest of the Company. According to Rule 6.3.3(2)(4) of the Shanghai Stock Exchange Listing Rules, Shanghai Guosheng (Group) Co., Ltd. and its wholly-owned subsidiary, Shanghai Guosheng Group Assets Co., Ltd., constitute related parties of the Company. Shanghai Guosheng (Group) Co., Ltd. and its associates constitute connected persons of the Company pursuant to Rules 14A.07(1) and (4) and 14A.13(1) of the Hong Kong Listing Rules.

2 Other related companies

Pursuant to Rule 6.3.3(2)(3) of the Shanghai Stock Exchange Listing Rules, in the event that the Directors, supervisors and senior management of the Company hold the positions of directors (excluding those who are independent directors of both parties) or senior management of a company (other than the Company, its majority-owned subsidiaries or other entities controlled by it), such company will constitute a related party of the Company, but not a connected person of the Company under the Hong Kong Listing rules.

(V) Pricing Principles

1. Securities and financial products services

It mainly includes but not limited to the following services arising from relevant business: fee charged from securities brokerage on behalf of client, sales and service fees of securities and financial products, entrusted assets management fee and performance-based compensation, investment consulting fee, underwriting fees of investment banks, financial advisory fees, accounts receivable, and accounts payable etc., which shall be determined with reference of market price, industry practice and prices determined by the third party.

2. Trading in securities and financial products

It mainly includes but not limited to the following transactions arising from relevant business: interest income from security deposits, income from investments, and trading financial assets etc., which shall be determined with reference to market price, industry practice and prices determined by the third party.

The above routine related party/connected transactions will not prejudice the interests of the Company and its shareholders, including its minority shareholders.

(VI) Reasons of the Transactions and Impact on the Company

1. The above related party transactions/ connected transactions are conducted in the ordinary course of the Company's business and will generate a stream of recurring revenue for the Company, which promotes the development of the Company's business, and has no material impact on the normal operations of the Company.
2. The above related party transactions/ connected transactions are fair, and the prices under these transactions are made reference to the market price, therefore do not prejudice the interest of the Company and minority shareholders;
3. The above related party transactions/ connected transactions do not prejudice the independence of the Company as the principal business of the Company does not rely on the related parties/ connected persons as a result of the above related party transactions/ connected transactions.

(VII) Reasons of the Transactions and Impact on the Company

Shanghai Guosheng Group constitutes a connected person of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Therefore, the transactions entered into between the Group and Shanghai Guosheng Group and its associates constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. The Company has renewed the Continuing Connected Transactions Framework Agreement on 30 December 2022, and complied with reporting, announcement and annual review requirements under the Hong Kong Listing Rules. For further details, please refer to the announcement of the Company dated 30 December 2022 and the annual results announcement of the Company dated 28 March 2024, respectively.

The Company is required by the applicable PRC laws and regulations to seek the approval of its shareholders with respect to the above related party transactions. Relevant resolution will be proposed to the shareholders for voting at the annual general meeting of the Company. A circular containing, among other things, details of the above resolution, together with the notice of the annual general meeting, will be despatched to the shareholders of the Company in due course.

If any of the above related party transactions constitute a connected transaction under Chapter 14A of the Hong Kong Listing Rules or no longer be exempted, the Company will strictly comply with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules (including without limitation, reporting, announcement, annual review and independent shareholders' approval requirements).

II. PROPOSED ESTIMATED INVESTMENT AMOUNT FOR THE PROPRIETARY BUSINESS OF THE COMPANY FOR 2024

In order to facilitate proprietary investment business to flexibly adjust the proprietary investment scale based on the market fluctuation and the proprietary investment strategy, after taking into account the macro-economic and securities market conditions, it is approved that:

- 1 The limits on the Company's proprietary investment business for 2024 shall be as follows:
 - (1) proprietary investment in equity securities and their derivatives shall not exceed 80% of the net capital of the Company last year; and
 - (2) proprietary investment in non-equity securities and their derivatives shall not exceed 400% of the net capital of the Company last year.
- 2 The management of the Company shall be authorized to determine and adjust the Company's annual assets and liabilities allocation plan within the abovementioned limits after considering the market opportunities and the Company's actual conditions, subject to the relevant requirements in relation to proprietary business management and risk management of the CSRC.

The above limits exclude long-term equity investment and passive position arising from underwriting business and securities margin trading of the Company. The investment amount for the proprietary investment business of the Company shall be calculated according to the formula set out in the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) and the Calculation Standards for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) issued by the CSRC.

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

Shanghai, the PRC
28 March 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*