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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)

2024 ACTION PLAN FOR “IMPROVING QUALITY AND EFFICIENCY TO INCREASE RETURNS” OF THE COMPANY

In order to implement the guiding principles of the Central Economic Work Conference and the Central Financial Work Conference, extensively practice the “investor-oriented” philosophy, further promote the high-quality development and improvement of investment value of Haitong Securities Co., Ltd. (the “**Company**”), and protect the legitimate rights and interests of all shareholders, the Company has formulated the 2024 Action Plan for “Improving Quality and Efficiency to Increase Returns” (《2024年度“提質增效重回報”行動方案》) in light of its confidence in the Company’s value and future development, which was considered and approved at the fifth meeting of the eighth session of the board of directors (the “**Board**”) of the Company on 26 April 2024. The details of the action plan are as follows:

I. UPHOLDING THE CORE VALUES OF FINANCE AND GIVING FULL PLAY TO ITS FUNCTIONAL ROLE

The Company has always followed the development philosophy of serving the country and the people with finance, focused on the main theme of serving national strategies and the real economy, actively promoted the synergy and coordination of “investment, financing, sponsorship, research and introduction” and wealth management business in all aspects, strengthened the function of financial services in resource allocation, improved the “five major aspects” including technology finance, continuously consolidated its “functional” positioning as a securities company, and effectively performed its responsibilities as a “service provider” for direct financing, a “gatekeeper” for the capital market, and a “manager” of social wealth, to contribute to the improvement of the quality and efficiency in serving the real economy.

In 2024, the Company will pursue functional, intensive, and specialized development, focus on deepening the supply side structural reform of the financial sector, and take deepening reform as the fundamental driver for promoting the high-quality development of the Company. It will also continue to improve the “customer-focused business system” and the “service-based management system” to channel financial resources to promote the development of economy. The Company will “improve” operation management and capital returns by further enhancing the intensive management of capital of the Company and optimizing business structure and asset allocation to better prevent risks and fulfill social responsibilities. The Company will “enhance its efforts” in consolidating industry leadership and potential exploration by continuously promoting the development of a comprehensive financial service system centered on the core client groups and exploring the synchronized operational models of “investment banking-investment-research” and “institutional business-asset management business-wealth management business” to better serve the real economy and satisfy the wealth management demands from the public.

II. ENHANCING SHAREHOLDER RETURNS AND JOINTLY PROMOTING AND SHARING THE RESULTS OF HIGH-QUALITY DEVELOPMENT

The Company thoroughly practiced the “investor-oriented” philosophy. Further to implementing solid business management practices and strengthening risk control, the Company has adopted a range of measures (including cash dividend and share buyback) to improve investors’ sense of fulfilment, after taking into account the Company’s development stage and financial conditions. Since 2007, the Company has cumulatively distributed cash dividends of approximately RMB36.2 billion in aggregate. In the past three years, the total amount of cash dividends accounted for 44.92% of the total net profit attributable to the parent company. In addition, the Company has implemented two consecutive share repurchase plans since August 2023, and the second repurchase plan is still in progress. As of 19 April 2024, the Company had cumulatively repurchased shares in an amount of approximately RMB717 million, fully demonstrating the Company’s confidence in its own and the industry’s long-term healthy development.

In 2024, the Company will uphold the public nature of capital market to continue to strengthen market value management with a focus on enterprise value, prioritize investor returns, promote the implementation of regulatory requirements on cash dividend and share repurchase by taking into account the Company’s capital usage arrangements and business development needs, The Company will actively respond to the calls of the China Securities Regulatory Commission for multiple dividend distribution in a year and dividend distribution before the Spring Festival, and continuously improve the stability, timeliness and predictability of dividend distribution. The Company will also strengthen communication with substantial shareholders, enhance investors’ confidence in long-term holding, and contribute to creating a positive ecosystem where the Company’s quality improvement and shareholder return growth promote each other.

III. ADHERING TO INNOVATION-DRIVEN DEVELOPMENT AND SERVING THE FORMATION OF NEW QUALITY PRODUCTIVE FORCES

The Company closely followed the national key industry and regional development strategies to gradually form a service value chain and customer ecosystem with a focus on new quality productive forces. Focusing on supporting technological innovation based on the STAR Market, the Company facilitated the listing of key enterprises in emerging industries of strategic importance and established the “Haitong” brand in fields including integrated circuit, high-end equipment, and biomedicine. The Company developed the ecosystems and value chains of master funds, participated in the establishment of national funds and industrial funds in the Yangtze River Delta and focused on advancing services in key areas and sectors such as Lingang New Area and leading industries in Shanghai. The Company actively served the green circular economy and explored financial service means in various business areas such as investment banking, financial leasing and asset management to help achieve “carbon peaking and carbon neutrality” to support the development of green industries and projects. In addition, the Company actively explored the trend of digitalization in the industry, practically promoted the building of “Digital Haitong 2.0” with “agile, platform-based, intelligent and ecosystem-based” as its core characteristics, and strengthened the empowerment of the business and management systems by financial technology.

In 2024, on the path of serving the high-quality development of the real economy, the Company will continue to adhere to an innovation-driven approach and contribute to the realization of high-standard scientific and technological self-reliance and self-improvement. On the one hand, the Company will strive to build its own new quality productive forces by focusing on key elements such as talent, technology, innovation, and big data, and will actively cultivate and promote the formation of new drivers for the high-quality development of the Company. On the other hand, the Company will take serving the investment and financing of high-quality sci-tech innovative enterprises and developing professional new investment banking business as the breakthrough point to closely integrate “the needs of scientific and technological innovation” with “Haitong Full Capacity” together, accelerate the development of a sustainable industrial financial service system with extensive network of channels, multi-layers and full-coverage, promote the virtuous cycle of “technology-industry-finance” and contribute to the construction of China’s modern industrial system and the development of new quality productive forces.

IV. ENHANCING COMMUNICATION WITH THE MARKET AND BEING COMMITTED TO PRACTICING PEOPLE-ORIENTED FINANCE

“Investor-oriented” information disclosure and investor relations management demonstrate the Company’s commitment to the “people-oriented” nature of financial work. Since its listing, the Company has continuously improved the effectiveness and transparency of its information disclosure, effectively safeguarding the right to know of investors. In addition to “disclosing everything that should be disclosed and complying with laws and regulations”, the Company has strengthened voluntary information disclosure and proactively responded to the concerns of the capital market. The Company attaches great importance to investor relations management, and has thoroughly implemented the “investor-oriented” development philosophy, continuously optimized the construction of relevant systems and working mechanisms, and built a bridge for two-way communication and positive interaction with investors, so as to enhance the Company’s long-term value and protect the long-term interests of shareholders. The Company has been granted A-level rating by the Shanghai Stock Exchange for information disclosure for seven consecutive years, and has been recognized with “Best Practice of Board Office” and “Best Practice of Investor Relations Management” awards from the China Association of Public Companies for multiple times.

In 2024, the Company will maintain a people-oriented approach and continuously enrich the channels for and contents of communication with investors, with a goal of establishing a good corporate image in the capital market. The Company will continue to standardize and promote voluntary disclosure, prioritize investors’ concerns, explore more ways for investors to quickly obtain information of the Company, and continuously improve the readability of announcements and the transparency of the Company. The Company will continuously enrich the contents and formats of communication with investors, improve the regular communication mechanism, hold results briefings in a timely manner, so that investors can feel closer to the Company, understand the Company, and recognize the Company. The Company will continuously improve the investor opinion solicitation and feedback mechanism, proactively, promptly and deeply understand investors’ concerns and make corresponding responses, actively listen to investors’ opinions and suggestions, and use the external constraints to support and correct the internal strategies.

V. ENSURING STANDARDIZED OPERATION AND PROMOTING MODERNIZATION OF GOVERNANCE CAPABILITIES

As a public company listed on both the mainland China and Hong Kong, the Company has strictly adhered to the governance and standardization requirements for “A+H” companies, continuously improved the corporate governance system with the Articles of Association as the core, and laid a solid foundation for its standardized operation. The Company has continuously improved its governance structure and internal control system to promote the general meeting, the Board, the supervisory committee and the senior management to perform their respective duties. The Company has convened and held shareholders’ general meetings in strict accordance with relevant regulations, facilitating all shareholders, especially minority shareholders, in exercising their rights and giving shareholders ample opportunities to express their opinions and concerns. In 2023, following the issuance of new reform requirements on independent director system, the Company swiftly made corresponding amendments to the Articles of Association and the appendices thereof and implemented the relevant requirements in the election of the new session of the Board, becoming one of the first listed companies to complete the election of independent non-executive directors according to Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) and other regulations.

In 2024, the Company will further prioritize investors’ interests, keep abreast of regulatory requirements on corporate governance, standardized operation and shareholder returns, and implement them in detail in its system construction and specific practices. The Company will ensure the standardized operation of the corporate governance structure by revising and refining the Company’s systems and working mechanisms in a timely manner in accordance with the latest regulatory requirements, continuously optimizing the list of responsibilities and authorizations of the governing body and the legal person levels, and ensuring that the general meeting, the Board, the supervisory committee and the senior management perform their respective duties and operate efficiently. The Company will further strengthen the duty performance assurance for independent directors, promote the implementation of new requirements such as special meetings of independent directors, to enable independent directors to better play the role of participating in decision-making, supervision and balance of power, and providing professional opinions, effectively protect the overall interests of the Company, and protect the legitimate rights and interests of small and medium-sized investors. The Company will adhere to the “public” nature of it as public company, encourage small and medium-sized investors to actively participate in general meetings, support various investor entities to participate in major decision-making, and enhance the investors’ engagement in and recognition of the Company.

VI. FOCUSING ON THE KEY MINORITIES AND DRIVING INTRINSIC MOTIVATION FOR QUALITY AND EFFICIENCY IMPROVEMENT

The Company has continuously optimized its performance appraisal system for the directors, supervisors and senior management, strictly implemented the performance appraisal system, strengthened the application of appraisal results, and improved the management mechanism for remuneration deferred payment and recovery and deduction, thus closely aligning the interests of the directors, supervisors and senior management with the interests of shareholders, promoting the formation of positive incentives, and enhancing the long-term value of the Company.

In 2024, the Company will focus on the “key minorities”, improve the incentive mechanism and performance appraisal system, continue to strengthen the risk-sharing and profit-sharing mechanism between the Company’s directors, supervisors and senior management and the Company and its minority shareholders, so as to stimulate the intrinsic growth motivation, strengthen the compliance awareness of “key minorities” personnel, and effectively promote the long-term healthy development of the Company.

The Company will strive to effectively executing the Action Plan for “Improving Quality and Efficiency to Increase Returns” by focusing on the main theme of serving national strategies and the real economy, upholding the requirement of political and public nature, and consolidating its functional positioning. The Company will improve its development quality and scale through “solidifying the foundation” and enhance its corporate governance standards in the process of adapting to the “strict supervision and strict management” regulatory environment. The Company will also enhance the sustainable development ability of building a first-class investment bank and investment institution, and strive to repay investors’ trust with good performance, standardized corporate governance, and active shareholder returns. The Company will effectively fulfill the responsibilities and obligations as a listed company, actively convey the Company’s value, protect the Company’s market image, and contribute to building an “investor-oriented” capital market.

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

Shanghai, the PRC
26 April 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; the independent non-executive directors of the Company are Mr. ZHOU Yu, Mr. FAN Ren Da Anthony, Mr. MAO Fugen and Mr. MAO Huigang.