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(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 华泰证券股份有限公司 and carrying on business in Hong Kong as HTSC)
(Stock Code: 6886)

2024 ACTION PLAN OF “CORPORATE VALUE AND RETURN ENHANCEMENT”

In order to thoroughly follow the spirit of the 20th CPC National Congress and the Central Financial Work Conference, implement the State Council's "Certain Opinions on Strengthening Regulation, Preventing Risks and Promoting High-Quality Development of the Capital Market" (《關於加強監管防範風險推動資本市場高質量發展的若干意見》), respond to the Shanghai Stock Exchange's "Initiative on Carrying out a Special Action of 'Corporate Value and Return Enhancement' for the SSE-Listed Companies" (《關於開展滬市上市公司“提質增效重回報”專項行動的倡議》), practice the "investor-oriented" concept, promote the Company's high-quality development and investment value enhancement, and contribute to long-term and steady development of the capital market, the Company hereby formulates the 2024 Action Plan of "Corporate Value and Return Enhancement", details of which are set out as follows:

I. ADHERING TO THE FUNCTIONAL POSITIONING, AND STRIVING TO PROMOTE HIGH-QUALITY DEVELOPMENT TO A NEW LEVEL

(I) Fulfilling the responsibilities of financial enterprises

Finance is the lifeblood of the national economy. As a bridge between the real economy and the capital market, securities companies should bear in mind "the country's most fundamental interests", strengthen their missions and responsibilities, and make greater contributions in serving the high-quality development of the economy and society. With deeper understanding of core elements of the path of financial development with Chinese characteristics, Huatai Securities will firmly practice the political and people-oriented nature of financial work, put functionality in the first place, focus on its main responsibilities and businesses, and act as the "service provider" for direct financing, the "gatekeeper" for the capital market, and the "manager" of social wealth. It will make significant efforts in five major areas, including "technology finance, green finance, inclusive finance, pension finance, and digital finance", and harness the strategic value of being the main force in serving the real economy and the ballast for maintaining financial stability, so as to better serve the building of a nation's strength in finance and the high-quality development of financial sector through the Company's own high-quality development.

(II) Striving to build a first-class investment bank

The Company has always been committed to striding forward with the times and keeping pace with national strategies. Since 2019, it has comprehensively implemented the “two-pronged” (雙輪驅動) strategy on wealth management and institutional services under technology empowerment. By seizing opportunities in market reform, the Company achieved important breakthroughs in market-based, digital and international development, thus ranking the first phalanx in the industry in terms of comprehensive strength. In 2024, the Company will continue to uphold the development philosophy of serving the country and the people as a financial institution, adhere to the customer-centric approach, deepen the “two-pronged” (雙輪驅動) strategy, and promote the upgrading of organization with “One Customer” internally and “One Huatai” externally. It will build and improve a customer service system with full business chain linkage, forge core competitiveness resilient across business cycles, and promote continuous improvement in operation quality, thereby laying a solid foundation for it to “become a first-class investment bank with both domestic advantages and global influence”. The Company will continue to uphold fundamental principles and break new ground, constantly enhance its core capabilities, and focus on value creation, shareholder returns and investor protection, better serving the high-quality development of the capital market. With “creating value for customers” as the core, and by relying on the platform-based operations, the Company will enhance its professional financial service capabilities, and improve long-term returns for investors; strictly control the quality of listed companies, promote the upgrading of corporate governance with professional services, and allow investors to share the growth dividends of high-quality enterprise. The Company will expand its global footprint, and help Chinese customers to “go global” and “bring in” overseas customers with its cross-border integrated comprehensive service system, so as to better serve the high-level opening up of finance.

(III) Adhering to the vision of sustainable development

The Company has fully, accurately and comprehensively applied the new development philosophy on all fronts. It practices the outlook on sustainable development, integrates environmental, social and corporate governance elements into development strategies and business management, and actively implements various tasks such as serving the real economy, promoting green ecological development, fulfilling social responsibilities and improving corporate governance. With excellent ESG governance practices, the Company’s MSCI ESG rating for 2023 has been upgraded from A to AA, making it the first AA rated institution in the domestic securities industry. In 2024, the Company will further improve its ESG governance, strengthen ecological and environmental protection, optimize green financial services, and strengthen climate risk management and control, in a bid to continuously improve the Company’s governance, competitiveness, innovation, risk resistance and investor returns capabilities, and make due contributions to promoting sustainable development of the society.

II. STRENGTHENING INNOVATION-DRIVEN DEVELOPMENT, AND PLAYING A GREATER ROLE IN SUPPORTING THE DEVELOPMENT OF NEW QUALITY PRODUCTIVE FORCES

(I) Actively empowering the building of modernized industrial systems

New quality productive forces have become a main line for the development of China's future economy. For years, the Company has accompanied various scientific and technological innovation enterprises with different endowments in their startup, development and even leading the sector, by deeply tapping into the upper and down streams of key industrial chains and smoothening channels for conversion of innovation results, and continuously promoted the building of modernized industrial systems led by scientific and technological innovation. In 2024, the Company will continue to serve the accelerated development of new quality productive forces with its financial professional capabilities, focus on national strategic emerging industries, and further tap into the fields of new-generation information technology, high-end equipment, new materials, new energy, energy conservation and environmental protection, and biomedicine. It will coordinate and mobilize its research, investment banking, private equity investment, asset management and other full business chain resources to promote the formation of innovative capital, better serving enterprises with core technologies to enhance their value. Leveraging the capital market to achieve transformation and upgrading, the Company will further smooth the virtuous cycle of "Technology-Industry-Finance".

(II) Releasing the innovative value of digital finance

Technological empowerment is the core competency that Huatai Securities has been focusing on for many years. Based on the digital China strategy, the Company has been firmly following the path of platform-based development, comprehensively deepening the supporting role of technology in business development, and actively embracing cutting-edge technology, continuously releasing the integration value of "Business+Technology". The Company's self-developed FICC Da Xiang Trading Platform (FICC大象交易平台) project won the only first prize in the securities company category of the 2022 Fintech Development Award of the People's Bank of China. The digital finance has achieved significant results in empowering the technology application tiers, middle tiers and fundamental tiers, leading the industry with digital finance advantages. In 2024, the Company will continue to promote the construction of platform capabilities in various fields, inject digital thinking and digital elements into its wealth management and institutional services business; strengthen AI base capability building, and further enhance intelligent identification, understanding and analysis processing capabilities. Focusing on three core directions of business platformization, data assetization, and asset valuation, the Company will continue to improve the digital transformation and measurement system to help the Group efficiently allocate digital resources and build a new financial development ecosystem with mutual empowerment.

III. FOCUSING ON SHAREHOLDER RETURNS AND CONTINUOUSLY DELIVERING LONG-TERM INVESTMENT VALUE OF THE COMPANY

(I) Sharing the achievements of the Company's development

The Company adheres to the people-centered value orientation and firmly establishes the concept of rewarding investors. The Company maintains a stable and continuous profit distribution policy. Since its A share listing, the Company has implemented 13 cash dividends, with an accumulative dividend of RMB32.984 billion. Since 2020, the Company has repurchased 90,766,495 A Shares, using total funds of RMB1.675 billion (excluding transaction fees), and has cancelled a total of 47,265,160 A Shares, accounting for 0.52% of the Company's total share capital before cancellation. To better reward investors for their support, the Company will coordinate the dynamic balance between the long-term interests of sustainable development and the overall interests of all shareholders, and appropriately increase the number of cash dividends based on the operating circumstances. It will timely evaluate the feasibility of various market value management methods such as share repurchase and cancellation, build and improve a "stable, continuous and scientific" shareholder value return mechanism, for the purpose of boosting investors' long-term investment confidence, and guiding the reasonable return of the Company's value.

(II) Improving the quality of information disclosure

As a company listed in Shanghai, Hong Kong and London, the Company attaches great importance to the quality of information disclosure, strictly abides by the relevant laws and regulations of the listing place, and continuously improves the relevant information disclosure systems to disclose company information truthfully, accurately and completely. In 2024, the Company will continue to fulfill its information disclosure obligations, continuously improve its transparency, and timely and proactively disclose and interpret important announcements and regular reports to investors through results presentation, WeChat graphics and texts, and explanatory videos, ensuring that investors can obtain company information in a timely, accurate and equal manner. At the same time, the Company will establish, improve and strictly implement the System regarding Insider Registration and Management and Confidentiality, keep insider information confidential, and safeguard the legitimate rights and interests of investors.

(III) Strengthening investor relations management

Investor relationship is the bridge between the Company and its investors. The Company attaches great importance to investor relations management. It organizes various investor relations activities through diversified channels and forms to effectively convey the Company's value. The Company was awarded the honorary title of "Best Practice Case of Investor Relations Management" (投資者關係管理最佳實踐案例) by the China Association for Public Companies in 2023. In 2024, the Company will continue to improve the quality of investor relations management by relying on diversified channels such as the investor relations hotline, the Board office mailbox, the SSE interactive "E-platform" (e互動), visiting surveys, and investment strategy meetings to continue to maintain good interactions with investors, actively and timely solicit investors' views and needs, and respond to investors' concerns with a positive, serious and professional attitude. The Company's directors and senior management will continue to actively attend results presentation and conduct in-depth exchanges with investors to promote the market's understanding of the Company's business strategy, enhance investors' trust and support for the Company, and strive to create a new ecosystem of open and progressive investor relations.

IV. IMPROVING GOVERNANCE EFFECTIVENESS AND LAYING A SOLID FOUNDATION FOR THE COMPANY'S LONG-TERM AND STEADY DEVELOPMENT

(I) Improving the effectiveness of corporate governance

The Company gives full play to the leading role of the Party Committee in setting the direction, keeping in mind the big picture and ensuring the implementation of the Party policies and principles, and strictly implements the system for the Party Committee to discuss major issues in advance as well as the “Three Importance and One Significance” (三重一大) decision-making system, etc. The Company aims to establish a modern enterprise governance system, strictly abides by the laws and regulations of the domestic and foreign listing place, and continuously improves a corporate governance structure where checks and balances among the general meeting, the Board, the Supervisory Committee and the operation management are maintained, with each of them being separated from the other, thereby ensuring the stable operations and standardized operation of the Company. On this basis, the supervisory role of the Supervisory Committee, auditing and compliance and risk control will be continuously enhanced, the main responsibility of internal control will be strengthened, and the cage of the system will be further tightened. In 2024, the Company will adhere to standardized operation as the main line and continue to improve the level of corporate governance; promote the effective integration of the performance of independent directors and its internal decision-making process, give full play to the professionalism and independence of independent directors, effectively protect the legitimate rights and interests of shareholders, especially the minority shareholders, enhance the participation and recognition of shareholders, thus laying a solid foundation for its high-quality development.

(II) Strengthening compliance and risk control

The Company has always adhered to the concept that “compliance is the bottom line while risk management is a capability”, and has established and improved its onshore and offshore integrated compliance and risk management system to build core competitiveness of the Company for long-term and steady development. In 2024, the Company will firmly grasp the main line of strengthening supervision, preventing risks and promoting high-quality development, implement the requirements of comprehensive risk management and full compliance management, and enhance bottom-line thinking and risk management capabilities. Through further development of digital compliance and stereoscopic compliance, the Company will strengthen the integrated compliance management and control of domestic and overseas subsidiaries, and enhance synergistic management and oversight of major subsidiaries and key business areas to realize effective identification and proactive management of compliance risks. With the goal of “seeing clearly and managing well”, the Company will continuously strengthen business risk identification and assessment, monitoring and early warning, and response capability, put in place the responsibility for risk mitigation and disposal, continuously consolidate the effectiveness and resilience of the cross-border integrated risk management system, and build a real-time, dynamic and measurable risk management system to ensure the high-quality, balanced and healthy development of the Company.

(III) Promoting intensive and refined development

To pursue higher quality and efficiency and achieve steady development, it is fundamental for the Company to leverage on comprehensive digital transformation and practice the concept of integrated, intensive and refined operation. In 2024, the Company will further optimize its deployment of resources, improve resource allocation efficiency and strengthen asset and liability management in line with its strategic objectives and changes in the market environment. It will also establish a cost-effective ideology among all employees and strengthen cost control and refined management to improve the efficiency of the Group's resource utilization, promote the implementation of cost reduction and efficiency improvement and continue to enhance its overall management efficiency.

V. CARRYING FORWARD INDUSTRY CULTURE AND STRENGTHENING THE RESPONSIBILITY OF THE “CRITICAL MINORITY”

(I) Deepening the construction of financial culture

After over 30 years of development, Huatai Securities has realized its transformation and leapfrogged to an international securities group, with culture becoming a spiritual force that runs through the development process and leading the value orientation of growth and advancement. In 2024, the Company will actively promote the financial culture with Chinese characteristics of “being honest, trustworthy and prudent, earning profit in a righteous manner and seeking innovation while maintaining steady operation in accordance with laws and regulations”, and continue to practice the cultural values of the securities industry of “compliance, integrity, professionalism and stability”. It will further strengthen the professional ethics, sense of responsibility and cultural identity of all employees, and fully integrate cultural construction into all aspects of the Company's operations and employees' practices. At the same time, through constant development of a cultural brand matrix of Party building culture, technology culture, responsibility culture, youth culture, compliance culture and risk culture, and with various initiatives such as system building, thematic activities, publicity and trainings, awards and other forms, the Company will establish and improve its distinctive cultural value system and cultural work system featuring with internal cohesion and external brand building to continuously promote the high-quality and sustainable development of the Company and the industry.

(II) Strengthening the responsibility of the “critical minority”

The Company has always attached great importance to strengthening the risk-sharing and interest-sharing constraint mechanism among the “critical minority” (such as de facto controllers, major shareholders, directors, supervisors and senior management) and the Company and minority shareholders. In 2024, the Company will continue to actively organize the “critical minority” to participate in various trainings, strengthen their ability and awareness of duty performance, and continue to promote the synergy of internal and external governance. The Company will further improve the construction of remuneration-related systems, establish a sound remuneration system that is consistent with its long-term interests and in line with comprehensive risk and compliance management, and improve related mechanisms such as deferred payment of remuneration and accountability, so as to earnestly promote the long-term and stable development of the Company.

The Company will follow the direction of functional, intensive, professional and characteristic development, thoroughly implement the Action Plan of “Corporate Value and Return Enhancement”, earnestly assume the main responsibility for facilitating high-quality development and enhancing its own investment value, and protect the legitimate interests of investors, in particular small and medium investors to continuously enhance investors’ sense of accomplishment. By doing so, it is committed to promoting the healthy and stable development of the capital market.

This Action Plan of “Corporate Value and Return Enhancement” is based on the Company’s current operating conditions and external environment, and does not constitute a commitment of the Company. The implementation of the plan may be subject to factors such as industry development, operating environment and market policies, with a certain degree of uncertainty. Investors are advised to make rational investment and be mindful of investment risks.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Company” or “Huatai Securities”	a joint stock company incorporated in the People’s Republic of China with limited liability under the corporate name 华泰证券股份有限公司(Huatai Securities Co., Ltd.), converted from its predecessor 华泰证券有限责任公司(Huatai Securities Limited Liability Company) on December 7, 2007, carrying on business in Hong Kong as “HTSC”, and was registered as a registered non-Hong Kong company under Part 16 of the Companies Ordinance under the Chinese approved name of “華泰六八八六股份有限公司” and English name of “Huatai Securities Co., Ltd.”; the H Shares of which have been listed on the main board of The Stock Exchange of Hong Kong Limited since June 1, 2015 (Stock Code: 6886); the A Shares of which have been listed on the Shanghai Stock Exchange since February 26, 2010 (Stock Code: 601688); the global depository receipts of which have been listed on the London Stock Exchange plc since June 2019 (Symbol: HTSC), unless the context otherwise requires, including its predecessor
“Group”	the Company and its subsidiaries and their respective predecessors

By order of the Board of the Company
Zhang Hui
Joint Company Secretary

Jiangsu, the PRC, June 20, 2024

As at the date of this announcement, the Board comprises Mr. Zhang Wei, Mr. Zhou Yi and Ms. Yin Lihong as executive Directors; Mr. Ding Feng, Mr. Chen Zhongyang, Mr. Ke Xiang, Mr. Liu Changchun and Mr. Zhang Jinxin as non-executive Directors; and Mr. Wang Jianwen, Mr. Wang Quansheng, Mr. Peng Bing, Mr. Wang Bing and Mr. Lo Kin Wing Terry as independent non-executive Directors.