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

## **ANNOUNCEMENT**

- (1) REPORT ON USE OF PROCEEDS FROM PREVIOUS FUNDS RAISING ACTIVITY OF THE COMPANY**
- (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (3) PROPOSED INCREASE IN QUOTA OF EXTERNAL GUARANTEE**
- (4) PROPOSED INVESTMENT ASSET ALLOCATION OF EQUITY, FIXED INCOME SECURITIES AND DERIVATIVE PRODUCTS FOR THE YEAR 2015**
- AND**
- (5) PROPOSED GENERAL MANDATE TO ISSUE OTHER ONSHORE DEBT FINANCING INSTRUMENTS**

The board of directors (the “**Board**”) of Haitong Securities Co., Ltd. (the “**Company**”) hereby announces that:

### **I. REPORT ON USE OF PROCEEDS FROM PREVIOUS FUNDS RAISING ACTIVITY OF THE COMPANY**

The Board has resolved to propose a resolution regarding the report on use of proceeds from previous funds raising activity of the Company at the general meeting of the Company.

### **II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

According to the relevant rules of the Guidelines for Articles of Association of Listed Companies (2nd amended version in 2014) recently issued by China Securities Regulatory Commission (“**CSRC**”) and the actual conditions of the Company, the Board has resolved to amend relevant articles in the articles of association of the Company (the “**Articles of Association**”), and to propose such amendments to be considered at the general meeting of the Company. For details please refer to Appendix I.

Such amendments to the Articles of Association will come into effect after being considered and approved at the general meeting of the Company and after approval by regulatory authorities. The Board has resolved to propose a resolution at the general meeting of the Company to authorise the operating management of the Company to handle the approval and filing procedures with relevant regulatory authorities involved in such amendments.

### III. PROPOSED INCREASE IN QUOTA OF EXTERNAL GUARANTEE

According to the resolution passed by the Board, the Company proposed to:

- provide joint and several guarantee for the offshore wholly-owned subsidiary(ies) of the Company for the issue of offshore debt financing instruments (the “**Offshore Corporate Debt Financing Instruments**”) on a one-off or multiple issuances or multi-tranche issuances basis, through public or non-public offerings, including without limitation US dollar, offshore Renminbi or other foreign currency denominated bonds, subordinated bonds, foreign currency notes (including without limitation commercial papers), as well as the establishment of a medium term note scheme, etc., and the aggregate size of the Offshore Corporate Debt Financing Instruments shall not exceed 50% of the net assets of the Company as at the end of the latest period.

### IV. PROPOSED INVESTMENT ASSET ALLOCATION OF EQUITY, FIXED INCOME SECURITIES AND DERIVATIVE PRODUCTS FOR THE YEAR 2015

The Board has resolved to propose a resolution regarding the investment asset allocation of equity, fixed income securities and derivative products for the year 2015 at the general meeting of the Company. Details are as follows:

Subject to various regulatory requirements, in the year of 2015, the maximum amount of investment in proprietary equity securities and securities derivatives shall not exceed 80% of net capital, the maximum amount of investment in proprietary fixed income securities shall not exceed 200% of net capital, the maximum risk exposure position of the investment in proprietary equity securities shall not exceed 25.3% of net capital and the management of the Company shall be authorised to flexibly allocate fund scale and adjust investment direction within the limit of the maximum amount of the proprietary investment according to market opportunity and the actual conditions of the Company, subject to various regulatory requirements.

### V. PROPOSED GENERAL MANDATE TO ISSUE OTHER ONSHORE DEBT FINANCING INSTRUMENTS

According to the resolution passed by the Board, the Company proposed to:

- issue other onshore debt financing instruments other than short-term financing bills of securities companies and corporate bonds (the “**other onshore debt financing instruments**”), through public or non-public offering, on a one-off or multiple issuances or multi-tranche issuances basis, including without limitation the short-term corporate bonds of securities companies, asset-backed securities (notes), income receipts, subordinated bonds, subordinated debts and other onshore debt financing instruments which may be issued by the Company as approved by or filed with CSRC, Securities Association of China and other relevant authorities in accordance with the relevant rules.

The Company applied for the general mandate to issue the other onshore debt financing instruments of the Company. Details are as follows:

### **1. Type**

A resolution will be proposed at the general meeting to authorise the Board, and agree the Board of the Company in turn to authorise the Chairman and general manager of the Company (“**authorised representatives**”) to jointly or individually determine the type of the other onshore debt financing instruments and details of priorities for repayment of creditors in accordance with the relevant rules and then prevailing market conditions at the time of issuance. The onshore debt financing instruments of the Company proposed for issuance in this resolution do not contain any provision for conversion into shares.

### **2. Term**

The term of the other onshore debt financing instruments of the Company shall be no longer than 10 years (inclusive). It may have single or multiple maturities. A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to determine the details including the term and size of each type of the other onshore debt financing instruments in accordance with the relevant rules and then prevailing market conditions at the time of issuance.

### **3. Interest Rate**

A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to determine the interest rate for the issuance of the other onshore debt financing instruments of the Company as well as the method of calculation and payment thereof in accordance with the then prevailing market conditions at the time of issuance of the same and relevant rules.

### **4. Issuer, Issue Size and Issue Method**

The Company or its onshore wholly owned subsidiaries will act as the issuer of the other onshore debt financing instruments. The other onshore debt financing instruments shall be issued on a one-off or multiple issuances or multi-tranche issuances basis through public offering or private placement to qualified investors, upon approval by or filing with CSRC, Securities Association of China and other relevant authorities in accordance with relevant rules.

The aggregate issue size of the other onshore debt financing instruments of the Company shall be no more than 200% of the net asset value of the Company by the end of the preceding period (based on the balance outstanding on the instruments issued and, in the case of an instrument denominated in foreign currency, based on the median exchange rate published by the People’s Bank of China on the date of issuance), and shall be in compliance with the requirements prescribed in the relevant laws and regulations on the maximum amount of the debt financing instruments to be issued.

A resolution will be proposed by the Board of the Company at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to jointly or individually determine, at its/their sole discretion, the details including the issuer, issue size, timing of issue, number of tranches, currency and issue method in accordance with relevant laws and regulations as well as the advice and recommendations of regulatory authorities, the Company's actual needs for funding and the then prevailing market conditions at the time of issuance, in order to maximise the interest of the Company, and to monitor the issuance and payment of other onshore debt financing instruments of the Company.

## **5. Issue Price**

A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to jointly or individually determine the issue price of the other onshore debt financing instruments of the Company in accordance with the then prevailing market conditions at the time of issuance and relevant laws and regulations.

## **6. Security and Other Credit Enhancement Arrangements**

A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to jointly or individually determine the security and other credit enhancement agreements based on the features of the other onshore debt financing instruments of the Company and the issuance needs in accordance with the laws.

## **7. Use of Proceeds**

The proceeds raised from the issuance of other onshore debt financing instruments of the Company shall be used to fund business operation needs of the Company, improve the debt structure of the Company, supplement working capital of the Company and/or make project investment. A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to jointly or individually determine the details including the use of proceeds in accordance with the funding needs of the Company.

## **8. Issue Target and Arrangements on Placement to Shareholders of the Company**

The issue target of the other onshore debt financing instruments of the Company shall be the onshore investors which meet the conditions for subscription. A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to jointly or individually determine the details including the issue target in accordance with relevant laws and regulations, the prevailing market conditions and other matters in connection with the issuance.

The other onshore debt financing instruments of the Company may be placed to the shareholders of the Company. A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to jointly or individually determine the details of the placement arrangements (including whether to make such placement and the proportion of placement, etc.) in accordance with the then prevailing market conditions and other matters in connection with the issuance and the laws.

## **9. Guarantee Measures for Repayment**

A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to jointly or individually implement, as a minimum, the following measures in the event they expect that the Company is unable to repay the principal and interests of the onshore debt financing instruments as scheduled, or the Company fails to repay the principal and interests of the onshore debt financing instruments when they become due:

- 1) no dividend shall be distributed to the shareholders;
- 2) suspend the implementation of projects that incur capital expenditure such as material external investments, acquisitions and mergers;
- 3) payment of salary and bonus of the Directors and senior management shall be adjusted, reduced or ceased;
- 4) key personnel accountable for such event shall not be allowed for re-designation.

## **10. Listing of Debt Financing Instruments**

A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise its authorised representatives to jointly or individually apply for listing of the other onshore debt financing instruments of the Company in accordance with the actual conditions of the Company and the prevailing market conditions.

## **11. Validity Period of Resolution**

The shareholder's resolutions regarding the issuance of other onshore debt financing instruments of the Company shall be valid for a period of 36 months from the date of passing of the resolutions at the general meeting. Where the Board and/or its authorised representatives have, during the term of the authorisation, decided the issuance or partial issuance of other onshore debt financing instruments of the Company, and provided that the Company has also, during the term of the authorisation, obtained the approval or license from or completed filing or registration (if applicable) with regulatory authorities on the issuance, the Company may, during the validity period of such approval, licence, filing or registration, complete the issuance or relevant partial issuance of other onshore debt financing instruments of the Company.

## **12. Authorisation for Issuance of Other Onshore Debt Financing Instruments of the Company**

To ensure effective coordination of the issuance of other onshore debt financing instruments and other matters in connection with the issuance, a resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to further authorise its authorised representatives to deal with, at its/their sole discretion, all matters in connection with the issuance of other onshore debt financing instruments in accordance with the relevant laws and regulations as well as the advice and recommendations from regulatory authorities, within the framework and under the principles approved at the general meeting, in order to maximise the interest of the Company, including but not limited to:

- 1) formulation and adjustment of the details of the proposal for issuance of other onshore debt financing instruments in accordance with the applicable laws, regulations and relevant provisions from regulatory authorities as well as resolutions passed at the general meeting of the Company, and based on the actual conditions of the Company and the specific conditions of the relevant debt market, including without limitation, the determination of the suitable issuer(s), timing of issue, details of issue size and method, terms of issue, issue targets, maturity, whether to issue on a one-off, multiple issuances, multi-tranche issuances or multiple-category issuances basis and, if on multiple issuances, multi-tranche issuances or multiple-category issuances basis, the issue size and term of each issuance, tranche and category, the methods in which the nominal value and interest rate are determined, currency (including offshore RMB), pricing method, issuance arrangements, credit enhancement arrangements including letter of guarantee or letter of support, rating arrangement, details of subscription method, whether to incorporate terms of repurchase or redemption, details of placement arrangements, use of proceeds, registration, listing of other onshore debt financing instruments of the Company and place of listing, measures to mitigate repayment risks, measures to ensure debt repayment (if applicable), etc. and all matters in connection with the issuance of other onshore debt financing instruments of the Company;
- 2) determining and engaging intermediary agency, signing, implementing, amending and completing all agreements and documents relating to the issuance of other onshore debt financing instruments, including without limitation, the sponsor agreement, underwriting agreement, credit enhancement agreements such as guarantee agreement or letter of support, bond indenture, engagement letter with intermediary agency, trust agreement, settlement management agreement, registration and custody agreement, listing agreement and other legal documents, etc., and disclosing the relevant information in accordance with the relevant laws, regulations and the listing rules of the stock exchanges on which the Company's securities are listed (including without limitation, the preliminary and final offering memoranda of the debt financing instruments, and all announcements and circulars, etc. in relation to the issuance of other onshore debt financing instruments of the Company);



- 3) selecting and engaging trustee manager(s) and settlement manager(s) for the issuance of other onshore debt financing instruments of the Company, signing the trustee agreement(s) and settlement management agreement(s) and (if applicable), formulating rules for meetings of the holders of the debt financing instruments;
- 4) undertaking all applications and filings as well as listing matters (if applicable) in connection with the issuance of other onshore debt financing instruments of the Company, including without limitation, preparing, revising and submitting relevant application and filing materials relating to the issuance and listing of the other onshore debt financing instruments of the Company and application and filing materials in respect of credit enhancement agreements such as guarantee or letter of support to be provided by the Company, the issuer(s) and/or third party(ies), and signing the relevant application and filing documents and other legal documents;
- 5) making relevant adjustments to matters relating to the issuance of other onshore debt financing instruments of the Company according to the advice of and changes in the policies of regulatory authorities or the changes in market conditions, or determining whether to continue with all or part of the work in respect of the issuance of other onshore debt financing instruments of the Company in accordance with the actual conditions, unless re-approval by the shareholders at general meeting is otherwise required pursuant to the relevant laws, regulations and the Articles of Association;
- 6) dealing with other relevant matters in connection with the issuance of other onshore debt financing instruments of the Company;
- 7) subject to approval of the above authorisation at the general meeting, a resolution will be proposed to agree the Board in turn to authorise the Chairman and general manager of the Company to act as authorised representatives for the issuance of other onshore debt financing instruments of the Company to jointly or individually deal with all matters in connection with the issuance of other onshore debt financing instruments of the Company on behalf of the Company pursuant to the resolutions passed at the general meeting and the authorisation granted by the Board.

The above authorisations shall remain valid and effective on and from the date when the shareholders at the general meeting have approved and passed the resolutions until the earlier of the expiry of 36 months or the date when matters authorised above have been completed (depending on whether the issuance of all other onshore debt financing instruments of the Company has been completed). However, where the Board and/or its authorised representatives have, during the term of the authorisation, decided the issuance or partial issuance of other onshore debt financing instruments of the Company, and provided that the Company has also, during the term of the authorisation, obtained the approval or licence from or completed filing or registration (if applicable) with regulatory authorities on the issuance, the Company may, during the validity period of such approval, licence, filing or registration, complete the issuance or relevant partial issuance of other onshore debt financing instruments of the Company. With respect to the matters of issuance or partial issuance, the above authorisation shall remain valid until the date of completion of such issuance or partial issuance.

The proposed resolutions above are still subject to the shareholders' approval at the general meeting of the Company. A circular containing, among other things, details of the above resolutions, together with the notice of the shareholders' general meeting, will be despatched to the shareholders in due course.

By order of the board of directors  
**Haitong Securities Co., Ltd.**  
**WANG Kaiguo**  
*Chairman*

Shanghai, the PRC  
21 December 2014

*As at the date of this announcement, our executive directors are Mr. WANG Kaiguo and Mr. QU Qiuping; our non-executive directors are Mr. ZHUANG Guowei, Mr. ZHOU Donghui, Mr. HE Jianyong, Mr. ZHANG Jianwei, Mr. XU Chao, Mr. WANG Hongxiang, Mr. LI Gewei and Mr. FENG Huang; and our independent non-executive directors are Mr. XIA Bin, Mr. CHEN Qiwei, Mr. ZHANG Huiquan, Mr. ZHANG Ming, Mr. DAI Genyou, Mr. LIU Cheeming and Mr. XIAO Suining.*

\* *For identification purpose only*



**APPENDIX I AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Basis</b>	<b>Original article</b>	<b>To be amended as</b>
<p>Article 41 of Guidelines for Articles of Association</p>	<p><b>Article 64</b> The following conduct of security provided for external parties by the Company shall be subject to the review and approval at the shareholders’ general meeting:</p> <p>(i) any security (except providing a counter-security for its own liabilities) after the total amount of security for the external parties by the Company has reached or exceeded 20% of the Company’s latest audited net assets;</p> <p>(ii) a security to be provided in favour of an object which has an asset-liability ratio in excess of 70%;</p> <p>(iii) a single security in excess of 10% of the Company’s latest audited net assets.</p>	<p><b>Article 64</b> The following conduct of security provided for external parties by the Company shall be subject to the review and approval at the shareholders’ general meeting:</p> <p>(i) any security (except providing a counter-security for its own liabilities) after the total amount of security for the external parties by the Company has reached or exceeded <u>50%</u> of the Company’s latest audited net assets;</p> <p><b><u>(ii) any security (except providing a counter-security for its own liabilities) after the total amount of security for the external parties by the Company has reached or exceeded 30% of the Company’s latest audited total assets;</u></b></p> <p>(iii) a security to be provided in favour of an object which has an asset-liability ratio in excess of 70%;</p> <p>(iv) a single security in excess of 10% of the Company’s latest audited net assets.</p>