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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)

ANNOUNCEMENT ON THE EXECUTION OF SECOND AGREEMENT REGARDING THE INVESTMENT IN BLUE-CHIPS AND OTHERS WITH CHINA SECURITIES FINANCE

On 1 September 2015, the Company and China Securities Finance entered into the Master Agreement for OTC Derivatives Trading in the China Securities Futures Market (《中國證券期貨市場場外衍生品交易主協議》) and the Confirmation of Return Swaps Trading (《收益互換交易確認書》). Pursuant to which, the Company will contribute 20% of its net asset as of the end of July 2015 to the special account established by China Securities Finance for unified operation, including investment in blue-chips and others. Risks and income arising from the investment shall be shared by the 50 participating securities firms according to the proportion of their respective investment. To continue its participation in the return swaps trading with China Securities Finance, the Company had further contributed RMB4,439.64 million apart from the RMB10.0 billion contributed on 6 July 2015 by the Company (please refer to the announcement published by the Company on the website of HKExnews of The Hong Kong Stock Exchange (<http://www.hkexnews.hk>) on 7 July 2015 and the announcement published by the Company on the following day on *China Securities Journal*, *Shanghai Securities News*, *Securities Times*, *Securities Daily* and the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) for details). The aforementioned funds have been transferred to China Securities Finance.

According to the *Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2015* (《關於預計公司 2015 年自營投資額度的議案》) considered and approved at the annual general meeting for 2014, the aggregate amount of proprietary equity securities and securities derivatives shall not exceed 100% of the net capital of the Company. Subject to the compliance with the relevant requirements of proprietary trading and risk control issued by the CSRC, the management of the Company was authorized to determine and adjust the total amount of the proprietary trading of the Company within the above limit according to the market condition. According to the *Resolution on the Commencement of Equity Return Swap Business of the Company* (《關於公司開展權益類收益互換交易業務的議案》) considered and approved at the fourth meeting of the third session of the board of directors of the Company, subject to the compliance with the relevant requirements of proprietary trading and risk control issued by the CSRC, the management of the Company was authorized to reasonably allocate the funds of equity return swap business within the limit of investment amount for the proprietary equity securities (including securities derivatives) as considered and approved at the annual general meeting of the Company according to the market condition through scientific decision making. The contribution

for investment in blue-chips made by the Company this time and last time will be counted towards the investment in proprietary equity securities and securities derivatives for the year and the investment amount does not exceed the limit as approved at the shareholders' general meeting of the Company.

DEFINITIONS

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

- “China Securities Finance” China Securities Finance Corporation Limited (中國證券金融股份有限公司), a joint stock company established under the direction of the State Council to provide, among other functions, margin and securities refinancing services to support the margin financing and securities lending businesses of PRC securities firms
- “Company” 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 our predecessor 华泰证券有限责任公司 (Huatai Securities Limited Liability Company) on 7 December 2007, carrying on business in Hong Kong as “HTSC”, and was registered as a 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 A shares of which are listed on the Shanghai Stock Exchange on 26 February 2010 (Stock Code: 601688)
- “CSRC” the China Securities Regulatory Commission (中國證券監督管理委員會)

By order of the Board of Directors of the Company
Wu Wanshan
Chairman

Hong Kong, 1 September 2015

As of the date of this announcement, the Board of Directors comprises Mr. WU Wanshan and Mr. ZHOU Yi as executive Directors; Mr. SUN Lu, Mr. WANG Shuhua, Ms. PU Baoying, Mr. SUN Hongning, Mr. ZHOU Yong, Mr. CAI Biao and Mr. YING Wenlu as non-executive Directors; and Mr. BAI Wei, Mr. SHEN Kunrong, Mr. LIU Hongzhong, Ms. ZHANG Jie and Mr. LEE Chi Ming as independent non-executive Directors.