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海通证券股份有限公司
HAITONG SECURITIES CO., LTD.*

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

PROPOSED GENERAL MANDATE TO ISSUE OFFSHORE DEBT FINANCING INSTRUMENTS

The board of directors (the “**Board**”) of Haitong Securities Co., Ltd. (the “**Company**”) has resolved to propose a resolution regarding granting general mandate to issue offshore debt financing instruments at the shareholders’ general meeting of the Company, whereby the Company is approved to issue offshore 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 offshore Renminbi or foreign currency bonds, subordinated bonds, subordinated debts, asset-backed securities (notes), notes (including without limitation commercial notes), loans, syndicated loans and offshore debt financing instruments as approved by, filed with or recognised by relevant regulatory authorities (excluding the placements with banks and other financial institutions and the repurchase transactions for daily liquidity operations).

Details of the general mandate to issue the offshore debt financing instruments (the “**offshore debt financing instruments**”) by the Company or its subsidiaries (including wholly-owned and controlling subsidiaries unless otherwise indicated) are as follows:

1. Type

A resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to authorise the Chairman and general manager of the Company (“**authorised representatives**”) to jointly or individually determine the type of the offshore debt financing instruments and details of priorities for repayment of creditors in accordance with laws, regulations and the relevant rules stipulated by securities regulatory authorities, as well as the resolutions of the shareholders’ general meeting of the Company, the Company’s conditions and then prevailing market conditions at the time of issuance. The offshore debt financing instruments proposed for issuance in this resolution do not contain any provision for conversion into shares.

2. Term

The term of the fixed-term offshore debt financing instruments shall be no longer than 15 years (inclusive). It may have single or multiple maturities; the non-fixed-term offshore debt financing instruments are not subject to the aforementioned requirement on the term. 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 offshore 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 offshore debt financing instruments 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 subsidiaries will act as the issuer of the offshore debt financing instruments. The offshore 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 outside of China, upon approval by, filing with or recognition by relevant regulatory authorities in accordance with relevant rules.

The aggregate issue size of the offshore debt financing instruments 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 specific debt financing instruments to be issued.

A resolution will be proposed by the Board 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 maximize the interest of the Company, and to monitor the issuance and payment of offshore debt financing instruments.

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 offshore debt financing instruments 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 offshore debt financing instruments and the issuance needs in accordance with the laws.

7. Use of Proceeds

The proceeds raised from the issuance of offshore debt financing instruments 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 offshore debt financing instruments shall be the onshore and offshore 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 offshore debt financing instruments 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 offshore debt financing instruments as scheduled, or the Company fails to repay the principal and interests of the offshore debt financing instruments when they become due:

- (i) no dividend shall be distributed to the shareholders;
- (ii) suspend the implementation of projects that incur capital expenditure such as material external investments, acquisitions and mergers;
- (iii) payment of salary and bonus of the directors and senior management of the Company shall be adjusted, reduced or ceased;
- (iv) 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 offshore debt financing instruments 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 offshore debt financing instruments 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 offshore debt financing instruments, 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, license, filing or registration, complete the issuance or relevant partial issuance of offshore debt financing instruments.

12. Authorisation for Issuance of Offshore Debt Financing Instruments

To ensure effective coordination of the issuance of offshore 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 offshore 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:

- (i) formulation and adjustment of the details of the proposal for issuance of offshore 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 offshore debt financing instruments 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 offshore debt financing instruments;
- (ii) determining and engaging intermediary agency, signing, implementing, amending and completing all agreements and documents relating to the issuance of offshore 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 offshore debt financing instruments);

- (iii) selecting and engaging trustee manager(s) and settlement manager(s) for the issuance of offshore debt financing instruments, 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;
- (iv) undertaking all applications and filings as well as listing matters (if applicable) in connection with the issuance of offshore debt financing instruments, including without limitation, preparing, revising and submitting relevant application and filing materials relating to the issuance and listing of the offshore debt financing instruments 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;
- (v) making relevant adjustments to matters relating to the issuance of offshore debt financing instruments 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 offshore debt financing instruments 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 of the Company;
- (vi) dealing with other relevant matters in connection with the issuance of offshore debt financing instruments;
- (vii) 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 the general manager of the Company to act as authorised representatives for the issuance of offshore debt financing instruments to jointly or individually deal with all matters in connection with the issuance of offshore debt financing instruments 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 offshore debt financing instruments 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 offshore debt financing instruments, 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 offshore debt financing instruments. 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.

This proposal will come into effect after being considered and approved at the general meeting of the Company.

By order of the board of directors
Haitong Securities Co., Ltd.
HUANG Zhenghong
Joint Company Secretary

Shanghai, the PRC
29 July 2016

As at the date of this announcement, our executive director is Mr. QU Qiuping; our non-executive directors are Ms. YU Liping, Mr. CHEN Bin, Mr. WANG Hongxiang, Ms. ZHANG Xinmei and Mr. SHEN Tiedong; and our independent non-executive directors are Mr. LIU Cheeming, Mr. XIAO Suining, Mr. LI Guangrong, Mr. ZHANG Ming and Mr. FENG Lun.

* *For identification purpose only*