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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 PROPOSED ISSUANCE AND ADMISSION OF GDRs AND RELEVANT MATTERS

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2)(a) and 13.10B of the Listing Rules.

The Board is pleased to announce that at the 17th meeting of the fourth session of the Board held on September 25, 2018, the Board considered and approved, among other things, the relevant resolutions in relation to the proposed Issuance and Admission of GDRs and relevant matters.

I. Resolution on the Issuance and Admission of GDRs

To further promote our internationalization strategy and supplement our capital strength, the Company intends to issue GDRs and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange in accordance with the relevant regulatory requirements of the CSRC. Such GDRs will be issued by way of representing newly issued A Shares as underlying securities .

II. Resolution on the proposal on the Issuance and Admission of GDRs

In order to meet our funding needs for business development, further enhance corporate governance and core competitiveness of the Company and further promote our internationalization strategy, the Company intends to issue GDRs and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange. Such GDRs will represent newly issued A Shares as underlying securities.

According to provisions stated in the Company Law of the PRC (《中華人民共和國公司法》), the PRC Securities Law (《中華人民共和國證券法》), the relevant regulatory requirements of the CSRC regarding the market interconnection depository receipt business between the Shanghai Stock Exchange and the London Stock Exchange, the UK Listing Rules and the UK Prospectus Rules and other related laws, regulations and regulatory documents, and taking into account the actual circumstances of the Company, the Issuance and Admission of GDRs will be in compliance with the requirements and conditions under the relevant domestic laws, regulations and regulatory documents and will be conducted in accordance with and subject to the requirements and conditions of applicable laws, including the UK Listing Rules and the UK Prospectus Rules.

The details of the Issuance and Admission of GDRs and the specific proposal are as follows:

1. Type and nominal value of securities

The Company intends to issue GDRs representing newly issued A Shares as underlying securities and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange.

The nominal value of each GDR will be determined based on the conversion rate between the issued GDRs and the underlying A Shares.

2. Timing of issuance

The Company will select the appropriate timing and market window to complete the Issuance and Admission of GDRs within the validity period of the general meeting resolution. The specific timing of issuance will be determined by the Board or persons authorized by the Board as authorized at the general meeting, taking into account the international capital market condition and the progress of obtaining approval from the domestic and overseas regulatory authorities.

3. Method of issuance

The method of issuance shall be by way of an international offering.

4. Size of issuance

The underlying A Shares represented by the GDRs to be issued shall be no more than 825,150,000 A Shares (including the exercise of any over-allotment option, if any) and shall not account for more than 10% of the total ordinary share capital of the Company prior to the issuance.

The final number of Shares to be issued shall be proposed for determination by the Board or persons authorized by the Board as authorized at the general meeting in accordance with legal requirements, regulatory authorities' approval and market conditions.

5. Conversion rate between GDRs and A Shares

The conversion rate between the GDRs to be issued and the A Shares represented by the GDRs as underlying securities shall be determined after comprehensively taking into account various factors such as domestic and overseas regulatory requirements and market conditions, etc.

The final conversion rate between the GDRs to be issued and the A Shares represented by the GDRs as underlying securities will be determined by the Board or persons authorized by the Board as authorized in accordance with laws and regulations, regulatory authorities' approvals and market conditions.

6. Issuance pricing

The issuance price of the GDRs will be determined after due consideration of the interests of the Company's existing shareholders, the demand of investors and issuance risks, etc., in accordance with international practices and relevant regulatory requirements, through an order demand and book-building process, based on the domestic and overseas capital market conditions at the time of issuance and by reference to the valuation of comparable companies in domestic and overseas markets. The issuance price will be no less than the Company's latest audited per Share net asset value¹.

7. Target subscribers

It is intended that the GDRs shall be sold globally and offered to qualified international investors and other investors who are qualified according to relevant regulations.

The GDRs representing new A Shares issued in connection with the Issuance and Admission of GDRs are expected to be held by the public (as defined under the Listing Rules). If the GDRs representing new A Shares issued in connection with the Issuance and Admission of GDRs are to be subscribed by connected persons (as defined under the Listing Rules) of the Company, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules, including requirements for announcement and independent shareholders' approval.

8. GDRs and underlying A Shares conversion restriction periods

The GDRs may be converted into A Shares represented by the GDRs as underlying securities in compliance with domestic and overseas regulatory requirements. In order to maintain the liquidity of GDRs and the price stability in both markets, we propose that the Board or persons authorized by the Board as authorized at the general meeting decide the matters relating to the determination of the conversion restriction period in accordance with the prevailing domestic and overseas regulatory requirements, market conditions and actual circumstances of the Company.

Note 1: For information purpose only, the net assets attributable to the Shareholders per Share is RMB12.19 per Share as of December 31, 2017, according to the Company's audited financials set out in its 2017 annual report.

9. Underwriting method

The GDRs to be issued will be underwritten by way of an international sales process by the underwriting syndicate after a book-building process.

III. Resolution on the validity period of the resolutions in respect of the Issuance and Admission of GDRs

For the purposes of the Issuance and Admission of GDRs, it will be proposed at the general meeting of the Company for the relevant resolutions in respect of the Issuance and Admission of GDRs to be approved to remain valid for a period of 12 months from the date of consideration and approval of such resolutions at the general meeting of the Company.

IV. Resolution on the granting of authorization to the Board and such persons authorized by the Board to consider in their sole discretion matters in connection with the Issuance and Admission of GDRs

For the purposes of the Issuance and Admission of GDRs, it will be proposed at the general meeting to authorize the Board and such persons authorized by the Board to handle in their sole discretion matters relating to the Issuance and Admission of GDRs, including:

1. It will be proposed at the general meeting to authorize the Board and its authorized persons to handle with full authority the adjustments and specific implementation of the proposal for the Issuance and Admission of GDRs, within the boundaries of the proposal for the Issuance and Admission of GDRs as approved at the general meeting and in accordance with the PRC laws and regulations as well as the relevant requirements of the securities regulatory authorities, including but not limited to determining the specific issuance size, conversion rate between GDRs and A Shares, issuance price (including the currency, price range and final issuance price), timing, methods and target of issuance, placing proportion, restriction period for conversion between GDRs and A Shares and plans on the use of proceeds.
2. It will be proposed at the general meeting to authorize the Board and its authorized persons to amend, sign, submit and publish the prospectus; sign, implement, amend and terminate any agreements, contracts, offering documents or other documents relating to the Issuance and Admission of GDRs; appoint sponsor(s), underwriter(s), domestic and overseas legal

advisor(s), receiving bank(s), trustee(s), depository(ies) and other intermediaries relevant to the Issuance and Admission of GDRs and conduct other matters relating to the Issuance and Admission of GDRs, as they may consider necessary or appropriate.

3. It will be proposed at the general meeting to authorize the Board and its authorized persons to handle the approval, registration, filing, verification, consent and other procedures with the relevant domestic and overseas governmental departments and regulatory authorities in respect of the Issuance and Admission of GDRs in accordance with the proposal for the Issuance and Admission of GDRs as approved at the general meeting; sign, implement, amend and finalize all necessary documents required to be submitted to the relevant domestic and overseas governmental departments, authorities, organizations and individuals; and take all other acts and measures relating to the Issuance and Admission of GDRs as they consider necessary, appropriate or expedient.
4. It will be proposed at the general meeting to authorize the Board and its authorized persons to, on behalf of the Company, approve the format and contents of the relevant application documents relating to the application to the UK FCA and the London Stock Exchange for the Issuance and Admission of GDRs, approve such authorized persons to submit to the UK FCA and the London Stock Exchange as necessary the prospectus and other documents required to be submitted according to the UK Listing Rules and the UK Prospectus Rules, and sign, on behalf of the Company, the application documents, undertakings, declarations and confirmations.
5. It will be proposed at the general meeting to authorize the Board and its authorized persons to make relevant adjustments and modifications (including but not limited to adjustments and modifications to provisions, chapters, terms, conditions, registered capital etc.) to the Articles of Association and other internal corporate governance procedures of the Company in accordance with the domestic and overseas laws and regulations, the requirements and recommendations from domestic and overseas governmental authorities and regulatory authorities and according to the actual circumstances of the Issuance and Admission of the GDRs; and handle the CSRC, the State Administration for Industry and Commerce and other relevant authorities' approvals, changes of registration, records and other filings before and after the Issuance and Admission of the GDRs.

6. It will be proposed at the general meeting to authorize the Board and its authorized persons to make relevant amendments to the contents of the resolutions on the Issuance and Admission of GDRs as considered and approved at the general meeting in accordance with the requirements of the relevant governmental departments and regulatory authorities and the relevant approval documents.
7. It will be proposed at the general meeting to authorize the Board to authorize such other relevant persons to specifically handle any other matters relating to the Issuance and Admission of GDRs as necessary.
8. The authorization granted hereunder shall be valid for a term of 12 months from the date of consideration and approval of such resolutions at the general meeting of the Company.

V. Resolution on the distribution of accumulated profits prior to the Issuance and Admission of GDRs

The Company intends to issue GDRs and apply for the admission of the same to listing on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange. In order to balance the interests of existing and new Shareholders of the Company, accumulated profits of the Company prior to the Issuance and Admission of GDRs, after deducting any proposed dividends (if any) which have been approved at the general meeting of the Company in accordance with PRC laws and regulations and the Articles of Association prior to the Issuance and Admission of GDRs, shall be shared among existing and new Shareholders after the Issuance and Admission of GDRs.

VI. Resolution on the plan for the use of proceeds from the Issuance and Admission of GDRs

The total amount of proceeds from the issuance of the GDRs by the Company is expected to be no less than USD500 million. After deducting relevant issuance fees, the proceeds are intended to be fully applied towards the Company's domestic and overseas business development and investment through supplementing the Company's capital, in order to further improve the Company's business layout and increase the Company's market competitiveness and level of risk resistance. The specific use of proceeds include:

1. continuously investing in the Company's current principal businesses, developing its various business segments including wealth management, institutional services, investment management, and promoting its business transformation and upgrade;

2. supporting the inward growth and outward expansion of its international business and expanding its strategic overseas presence:
 - increasing the capital strength of the Company's Hong Kong subsidiary and further developing its cross-border business operations;
 - gradually improving its business layout in the United States and Europe and developing business opportunities in potential areas such as investment banking, asset management and wealth management; and
3. supplementing working capital and for general corporate purposes.

The specific use of and investment plan for the issuance proceeds are subject to the disclosure in the prospectus to be issued in connection with the Issuance and Admission of GDRs.

BENEFITS AND REASONS FOR THE PROPOSED ISSUANCE AND ADMISSION OF GDRs

I. Facilitate the business development and implementation of strategies of the Company

The Company has been actively pursuing the development opportunities in the PRC capital market and utilising its own advantages in order to establish itself as a leading player in wealth management, institutional services, investment management and international businesses. The Company's long-term strategic goal is to become a first-class integrated financial group with both domestic advantages and global vision. Through the proposed Issuance and Admission of GDRs, the Company intends to facilitate the implementation of its internationalization strategies, further expand its businesses and enhance brand recognition in both domestic and core international markets including the United States and Europe, as well as improve its operational efficiency and further generate value for the Shareholders.

II. Supplement the capital strength and enhance the competitiveness of the Company

In face of the rapid development and transformation of the securities industry in China and increasing industry competition, additional capital and stronger financial position will benefit the sustainable development of the Company by enabling the Company to capture new business opportunities, improve operational resilience and risk management capabilities and enhance competitive advantages.

GENERAL INFORMATION

The proposals will be submitted for consideration and approval by way of special resolution at the 2018 first extraordinary general meeting, the 2018 first A shareholders class meeting and the 2018 first H shareholders class meeting of the Company. The Company will publish the circular and further announcement(s) regarding the above proposals in due course. Further disclosures will be made in due course regarding material developments in connection with the Issuance and Admission of GDRs, including but not limited to the issuance price of the GDRs, the conversion rate between the GDRs and A Shares and relevant regulatory requirements.

Shareholders and potential investors of the Company are advised that the Issuance and Admission of GDRs is subject to the approval of the shareholders of the Company and other relevant regulatory authorities, and depends on the final decision of the Board, market conditions and other factors. Accordingly, there is no assurance that the Issuance and Admission of GDRs will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

These materials are not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). This announcement does not constitute an invitation or offer to acquire, purchase or subscribe for any security in the United States, Australia, Canada, Japan or any other jurisdiction, nor is it intended to invite any such offer or invitation. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act. The securities described herein have not been and will not be registered under the U.S. Securities Act.

The distribution of this announcement and other information in connection with the Issuance and Admission of GDRs in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement is addressed to and is only directed at, in any member state of the European Economic Area (the “EEA”) (other than the United Kingdom) which applies Directive 2003/71/EC, as amended (together with any implementing measures in any member state, the “**Prospectus Directive**”), those persons who are qualified investors (within the meaning of Article 2(1)(e) of the Prospectus

Directive) (“**Qualified Investors**”) in such member state, and such other persons as this document may be addressed on legal grounds. Any investment or investment activity to which this announcement relates is only available to, in any member state of the EEA (other than the United Kingdom), Qualified Investors and may only be engaged with such persons. Any person in a member state of the EEA (other than the United Kingdom) who is not a Qualified Investor should not act or rely on this announcement or any of its contents.

This announcement is addressed to and is directed only at (i) persons who are outside the United Kingdom or (ii) persons in the United Kingdom who are Qualified Investors and who (a) have professional experience in matters relating to investments falling within Article 19(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the “**Order**”) or (b)) are high net worth entities or other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order or (c) are certified high net worth individuals and certified and self-certified sophisticated investors as described in Articles 48, 50, and 50A respectively of the Order or (d) are persons to whom this communication may otherwise be lawfully communicated (all such persons together being referred to as “**relevant persons**”). Any investment activity to which this communication relates will only be available in the United Kingdom to and will only be engaged with, relevant persons. Any person in the United Kingdom who is not a relevant person should not act or rely on this document or any of its contents.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. Any purchase of GDRs in the Issuance and Admission of GDRs by an investor should be made solely on the basis of information contained in the Company’s prospectus to be issued by the Company in connection with the Issuance and Admission of GDRs in due course.

DEFINITIONS

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

“A Share(s)”	domestic share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and to be subscribed for and traded in RMB
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of the Company”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, excluding for the purposes of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Company”	a joint stock company incorporated in the PRC 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 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 Hong Kong Stock Exchange 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), unless the context otherwise requires, including its predecessor
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“GDR(s)”	global depository receipt(s)

“H Share(s)”	foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and to be subscribed for and traded in HK dollars
“HK dollars”	the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)
“Issuance and Admission of GDRs”	the Company’s issuance of GDRs representing new A Shares as underlying securities and the applications for the admission to listing of the same on the Official List of the UK FCA and to trading on the Main Market of the London Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the main market for listed securities of the London Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
“UK”	the United Kingdom of Great Britain and Northern Ireland

“UK FCA”	the UK Financial Conduct Authority
“UK Listing Rules”	the Listing Rules of the UK FCA made under Part VI of the UK Financial Services and Markets Act 2000 (as amended) and related secondary legislation
“UK Prospectus Rules”	the Prospectus Rules of the UK FCA
“United States”	the United States of America
“USD”	the lawful currency of the United States

By order of the Board of Directors
Zhou Yi
Chairman

Jiangsu, PRC, September 25, 2018

As of the date of this announcement, the board of directors comprises Mr. ZHOU Yi as an executive director; Ms. PU Baoying, Mr. CHEN Ning, Mr. GAO Xu, Mr. XU Feng, Mr. XU Qing and Mr. ZHOU Yong as non-executive directors; and Mr. CHEN Chuanming, Mr. LIU Hongzhong, Mr. LEE Chi Ming, Ms. LIU Yan and Mr. CHEN Zhibin as independent non-executive directors.