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## NOTICE OF AGM

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**NOTICE IS HEREBY GIVEN** that the AGM will be held at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No. 139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the PRC on Wednesday, June 22, 2022 at 2 p.m. to consider the following issues:

### **Special Resolutions**

1. To consider and approve the resolution on amendments to the Articles of Association
2. To consider and approve the resolution on repurchase and cancellation of part of the restricted A Shares

### **Ordinary Resolutions**

3. To consider and approve the 2021 Work Report of the Board of the Company
4. To consider and approve the 2021 Work Report of the Supervisory Committee of the Company
5. To consider and approve the 2021 Final Financial Report of the Company
6. To consider and approve the 2021 Annual Report of the Company
7. To consider and approve the 2021 Profit Distribution Plan of the Company
8. To consider and approve the resolution on the estimated ordinary transactions with related parties of the Company for 2022:
  - 8.1 Ordinary related-party transactions with Jiangsu Guoxin Investment Group Limited and its related companies
  - 8.2 Ordinary related-party transactions with Jiangsu Communications Holding Co., Ltd. and its related companies
  - 8.3 Ordinary related-party transactions with Govtor Capital Group Co., Ltd. and its related companies
  - 8.4 Ordinary related-party transactions with other related parties

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## NOTICE OF AGM

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9. To consider and approve the resolution on the estimated investment amount for the proprietary business of the Company for 2022
10. To consider and approve the resolution on the change of the accounting firms of the Company for 2022
11. To consider and approve the resolution on the election of an independent non-executive Director of the fifth session of the Board of the Company
12. To consider and approve the report on performance of duties of the independent non-executive Directors for 2021
13. To consider and approve the resolution on the election of a non-executive director and an executive Director of the fifth session of the Board of the Company
  - 13.1 To consider and approve the resolution on the election of Mr. Chen Zhongyang as a non-executive Director of the fifth session of the Board of the Company
  - 13.2 To consider and approve the resolution on the election of Ms. Yin Lihong as an executive Director of the fifth session of the Board of the Company

### VOTING ARRANGEMENTS

The aforesaid resolutions No. 1 to No. 2 are special resolutions to be passed by the affirmative votes representing at least two-thirds of the total number of Shares held by the attending Shareholders having voting rights; resolutions No. 3 to No. 13 are ordinary resolutions to be passed by the affirmative votes representing at least one half of the total number of Shares held by the attending Shareholders having voting rights.

Among which, resolution No. 13 will adopt the method of cumulative poll, namely, the voting rights that each Share held by a Shareholder carries shall equal the number of the Directors to be elected and a Shareholder may apply all his/her voting rights towards one candidate. In particular, during the election of non-executive Directors and executive Directors, the number of votes for each Shareholder shall be the number of Shares held by him/her multiplied by the total number of the non-executive Directors and executive Directors to be elected by him/her, he/she could only vote for the candidates of the non-executive Directors and executive Directors of the Company by such votes, and the ones who got the most votes shall be elected.

Huatai Securities Co., Ltd

May 20, 2022

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## NOTICE OF THE 2022 FIRST A SHAREHOLDERS CLASS MEETING

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**NOTICE IS HEREBY GIVEN** that the 2022 first A shareholders class meeting of the Company (the “**A Shareholders Class Meeting**”) will be held at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No. 139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the PRC on Wednesday, June 22, 2022 at 2 p.m. (or immediately after the conclusion of the 2021 annual general meeting or an adjournment thereof) to consider the following issues:

### **Special Resolution**

1. To consider and approve the resolution on repurchase and cancellation of part of the restricted A Shares

### **VOTING ARRANGEMENTS**

The aforesaid resolution 1 is a special resolution to be passed by the affirmative votes representing at least two-thirds of the total number of Shares held by the attending Shareholders having voting rights.

Huatai Securities Co., Ltd

May 20, 2022

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

|                                   |                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “A Share Class Meeting”           | the first A Share Class Meeting of 2022 to be held by the Company at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No. 139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the PRC on Wednesday, June 22, 2022 at 2 p.m. (or immediately after the conclusion of the AGM or its adjourned meeting thereof) |
| “A Share(s)”                      | domestic share(s) of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi and are listed for trading on the Shanghai Stock Exchange                                                                                                                                    |
| “AGM”                             | the annual general meeting of 2021 to be held by the Company at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No. 139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the PRC on Wednesday, June 22, 2022 at 2 p.m.                                                                                        |
| “Articles of Association”         | the articles of association of the Company, as amended, supplemented or otherwise modified from time to time                                                                                                                                                                                                                     |
| “AssetMark”                       | AssetMark Financial Holdings, Inc.                                                                                                                                                                                                                                                                                               |
| “Board” or “Board of the Company” | the board of directors of the Company                                                                                                                                                                                                                                                                                            |
| “CEO”                             | the chief executive officer of the Company                                                                                                                                                                                                                                                                                       |
| “Class Meeting”                   | the A Share Class Meeting and the H Share Class Meeting                                                                                                                                                                                                                                                                          |

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## DEFINITIONS

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|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “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); 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 |
| “Company Law”           | the Company Law of the People’s Republic of China (as amended, supplemented or otherwise modified from time to time)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| “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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| “FICC”                  | fixed income, currency and commodity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| “GDR”                   | global depository receipt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| “Group”                 | the Company and its subsidiaries, and their respective predecessors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “H Share(s)”            | foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “H Share Class Meeting” | the first H Share Class Meeting of 2022 to be held by the Company at Conference Room, Renaissance Nanjing Olympic Centre Hotel, No. 139 Aoti Street, Jianye District, Nanjing, Jiangsu Province, the PRC on Wednesday, June 22, 2022 at 2 p.m. (or immediately after the conclusion of the AGM and the A Share Class Meeting or any adjourned meeting thereof)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| “HK dollar(s)”          | Hong Kong dollar(s), the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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## DEFINITIONS

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| “Hong Kong” or “HK”                     | the Hong Kong Special Administrative Region of the PRC                                                               |
| “Hong Kong Stock Exchange”              | The Stock Exchange of Hong Kong Limited                                                                              |
| “Huatai Asset Management”               | Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券(上海)資產管理有限公司), a wholly-owned subsidiary of the Company |
| “Huatai Financial Holdings (Hong Kong)” | Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司), a wholly-owned subsidiary of Huatai International    |
| “Huatai Futures”                        | Huatai Futures Co., Ltd. (華泰期貨有限公司), a holding subsidiary of the Company                                             |
| “Huatai Innovative Investment”          | Huatai Innovative Investment Co., Ltd. (華泰創新投資有限公司), a wholly-owned subsidiary of the Company                        |
| “Huatai International”                  | Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司), a wholly-owned subsidiary of the Company     |
| “Huatai Purple Gold Investment”         | Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資(有限責任公司)), a wholly-owned subsidiary of the Company                   |
| “Independent Non-executive Director(s)” | the independent non-executive Director(s) of the Company                                                             |

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## DEFINITIONS

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| “Jiangsu SASAC”           | State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government (江蘇省政府國有資產監督管理委員會)                                        |
| “Latest Practicable Date” | May 17, 2022, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time         |
| “PBOC”                    | the People’s Bank of China                                                                                                                              |
| “PRC” or “China”          | the People’s Republic of China, excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region and Taiwan                 |
| “Reporting Period”        | the period from January 1, 2021 to December 31, 2021                                                                                                    |
| “RMB” or “Renminbi”       | Renminbi, the lawful currency of the PRC                                                                                                                |
| “Securities Law”          | the Securities Law of the People’s Republic of China (as amended, supplemented or otherwise modified from time to time)                                 |
| “Share(s)”                | the ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares                              |
| “Shareholder(s)”          | the holder(s) of the Share(s)                                                                                                                           |
| “STAR Market”             | science and technology innovation board of the Shanghai Stock Exchange                                                                                  |
| “Supervisor(s)”           | the supervisor(s) of the Company                                                                                                                        |
| “Supervisory Committee”   | the supervisory committee of the Company                                                                                                                |
| “USD”                     | United States dollars, the lawful currency of the United States                                                                                         |
| “%”                       | per cent                                                                                                                                                |

## **SPECIAL RESOLUTIONS:**

### **1. The resolution on amendments to the Articles of Association**

Reference is made to the announcement dated March 30, 2022 of the Company, in relation to the amendments to the Articles of Association proposed by the Board.

To further improve corporate governance, the Company proposes to amend certain articles of the Articles of Association in accordance with the prevailing Securities Law, the Company Law, the Regulations on the Supervision and Administration of Securities Companies (《證券公司監督管理條例》), the Provisions on the Administration of Equities of Securities Companies (《證券公司股權管理規定》), the Provisions on Issues Concerning the Implementation of the Provisions on the Administration of Equities of Securities Companies (《關於實施<證券公司股權管理規定>有關問題的規定》), the Rules for Governance of Securities Companies (《證券公司治理準則》), the Provisions on Strengthening the Supervision and Administration of Listed Securities Companies (《關於加強上市證券公司監管的規定》) and the Ten Elements of Cultural Construction in the Securities Industry (《證券行業文化建設十要素》) issued by the Securities Association of China and other relevant laws, regulations and normative documents and in light of the Company's actual condition. Meanwhile, the Company proposes to authorize the management of the Company to handle the reporting matters concerning the proposed amendments to certain provisions of the Articles of Association.

The amended Articles of Association shall come into effect from the date of approval upon consideration by the AGM. Before that, the current Articles of Association shall remain valid.

The details of the explanation table of the proposed amendments to the Articles of Association are set out in the Appendix I of this circular.

The resolution was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

## 2. The resolution on repurchase and cancellation of part of the restricted A Shares

Reference is made to the announcement dated March 30, 2022 of the Company, in relation to repurchase and cancellation of part of the restricted A Shares.

### (1) *Reasons for the repurchase*

From the grant of the Restricted A Shares by the Company to February 28, 2022, a total of 22 Incentive Participants of the grant are no longer qualified as Incentive Participants due to their resignations for personal reasons and termination their employment contracts with the Company. According to the relevant provisions under Chapter 13 of the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. (《华泰证券股份有限公司A股限制性股票股权激励計劃》) (“**this Incentive Scheme**” or the **Incentive Scheme**), the Restricted A Shares that have been granted to them but not yet unlocked shall be repurchased and cancelled by the Company.

### (2) *Repurchase price*

According to the provisions under Chapter 13 “Handling of Changes in the Company’s Situation and the Conditions of Incentive Participants” of the Incentive Scheme, if the Incentive Participants resign for personal reasons and terminate their employment contracts with the Company, the Restricted Shares that have been granted to them but not yet unlocked shall not be unlocked, and shall be repurchased by the Company at the lower of the Grant Price and the stock market price at the time of repurchase (the average trading price of the underlying stock of the Company on the trading day before the repurchase matters deliberated by the Board, the “**Stock Market Price**”).

According to the resolution of the fourteenth meeting of the fifth session of the Board of the Company, the Grant Price of the Restricted A Shares granted to the aforesaid 22 Incentive Participants shall be RMB9.10 per Share. According to the provisions under Chapter 15 “Repurchase of the Restricted Shares” of the Incentive Scheme, after completion of the registration of the Restricted Shares which have been granted to the Incentive Participants, if there is any increase of share capital by conversion of capital reserves, distribution of bonus issue, stock division, rights issue, share consolidation, distribution of dividends or any other event that affects the Company’s total share capital or share price, the Company shall make corresponding adjustments to the repurchase price and the repurchase quantity of the Restricted Shares which are not yet unlocked. On August 6, 2021, the Company distributed the dividend (cash dividend) for 2020 of RMB4.00 per 10 Shares. Accordingly, the Company made adjustments to the Grant Price applicable to the repurchase as follows:

$$P = P_0 - V = 9.10 - 0.40 = \text{RMB}8.70 \text{ per Share.}$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $V$  represents the dividend per Share;  $P$  represents the Grant Price after the adjustment.

In conclusion, the repurchase price applicable to the repurchase shall be the lower of the Grant Price after the adjustment and the Stock Market Price, i.e. RMB8.70 per Share.

**(3) Number of Shares under the repurchase and cancellation**

The total number of the Restricted Shares to be repurchased and cancelled is 1,060,973, representing approximately 2.33% of the registered Restricted A Shares under the Incentive Scheme and approximately 0.01% of the total share capital of the Company as at the Latest Practicable Date.

**(4) Total amount and source of funds for the repurchase**

The total amount of funds used by the Company for the repurchase is RMB9,230,465.10, which is financed by its internal funds.

**(5) Changes in the share capital structure of the Company after the proposed repurchase and cancellation**

| Type of Shares                                           | Before the repurchase and<br>cancellation |            | Increase/<br>Decrease | After the repurchase and<br>cancellation |            |
|----------------------------------------------------------|-------------------------------------------|------------|-----------------------|------------------------------------------|------------|
|                                                          | Number                                    | Proportion |                       | Number                                   | Proportion |
|                                                          | (shares)                                  | (%)        |                       | (shares)                                 | (%)        |
| A Shares                                                 |                                           |            |                       |                                          |            |
| – Floating Shares not subject<br>to selling restrictions | 7,312,116,320                             | 80.56      | –                     | 7,312,116,320                            | 80.57      |
| – Shares subject to selling<br>restrictions              | 45,488,000                                | 0.50       | -1,060,973            | 44,427,027                               | 0.49       |
| H Shares                                                 | 1,719,045,680                             | 18.94      | –                     | 1,719,045,680                            | 18.94      |
| Total                                                    | 9,076,650,000                             | 100.00     | -1,060,973            | 9,075,589,027                            | 100.00     |

*Note 1:* The above share capital structure reflects the share capital of the Company as of the Latest Practicable Date. Changes in the Share structure after the repurchase and cancellation shall be subject to the share capital structure table issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited upon completion of the repurchase and cancellation.

*Note 2:* Any discrepancies in the above table between part of the total shown and the sum of the breakdown figures are due to rounding.

The repurchase and cancellation of part of the Restricted A Shares will not lead to any change in the right of control of the de facto controllers of the Company, the shareholding structure of the Company will remain in compliance with the listing conditions, and the repurchase and cancellation will not have any material impact on the operating results and financial conditions of the Company.

***(6) Adjustments to the registered capital of the Company and amendments to the Articles of Association***

Following the cancellation of the aforesaid repurchased Shares, the registered capital of the Company will decrease by RMB1,060,973 and corresponding amendments shall be made to relevant provisions of the Articles of Association. After the approval at the AGM and the Class Meeting, the management of the Company shall be authorized to complete the procedures for industrial and commercial change registration of the registered capital of the Company and amend relevant provisions of the Articles of Association accordingly.

***(7) Follow-up arrangements for the repurchase and cancellation plan***

The Board shall complete the relevant procedures for the repurchase and cancellation pursuant to the requirements of the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited and perform the information disclosure obligations in a timely manner.

***(8) Opinion of the independent Directors***

In the opinion of the independent Directors:

- (I) the repurchase and cancellation are in compliance with the Administrative Measures for the Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》) (the “**Administrative Measures**”) and other laws, regulations and normative documents and relevant provisions of the Incentive Scheme, will not affect the continuous implementation of the Incentive Scheme or lead to any change in the right of control of the de facto controllers of the Company; the shareholding structure of the Company will remain in compliance with the listing conditions; and they will not materially affect the operating results and financial conditions of the Company nor will they prejudice the interests of the Company and the Shareholders.
- (II) the adjustment to the repurchase price is in compliance with the Administrative Measures and other laws, regulations and normative documents and relevant provisions of the Incentive Scheme as well as the authorization by the AGM to the Board.

- (III) agree with the repurchase and cancellation of part of the Restricted Shares by the Company, and agree with submitting the resolution to the AGM, the A Share Class Meeting and the H Share Class Meeting of the Company for consideration and approval.

***(9) Opinion of the Supervisory Committee***

In the opinion of the Supervisory Committee:

As 22 Incentive Participants of the Company are no longer qualified as Incentive Participants, the Restricted Shares that have been granted to them but not yet unlocked shall be repurchased and cancelled by the Company. The aforesaid repurchase and cancellation are in compliance with the Administrative Measures and other laws, regulations, normative documents and the Articles of Association and relevant provisions of the Incentive Scheme. They will not prejudice the interests of the Company and the Shareholders. The Supervisory Committee agrees with the Company to repurchase and cancel 1,060,973 Restricted A Shares that have been granted to the aforesaid Incentive Participants but not yet unlocked at the price of RMB8.70 per Share.

***(10) Conclusion of the legal opinion***

Beijing King & Wood Mallesons (Nanjing) Law Firm (北京市金杜(南京)律師事務所) has issued a legal opinion and concluded as follows: as of the issue date of this legal opinion, the Company has fulfilled the necessary approval and authorization at this stage in relation to this repurchase, which is in compliance with the Administrative Measures, the Trial Measures for the Implementation of Share Incentives by State-owned Listed Companies (Domestic) (《國有控股上市公司(境內)實施股權激勵試行辦法》) and relevant provisions of the Incentive Scheme. The reasons for, number of Shares involved, price for this repurchase by the Company comply with the Administrative Measures, the Trial Measures for the Implementation of Share Incentives by State-owned Listed Companies (Domestic) and relevant provisions of the Incentive Scheme.

The repurchase and cancellation of part of the Restricted A Shares, including the adjustments to the registered capital of the Company and proposed amendments to the Articles of Association, shall be submitted to the AGM for consideration and approval, and the Company will be required to fulfill necessary information disclosure obligations in relation to this repurchase and process relevant registration and filing procedures with the Shanghai Stock Exchange, securities registration and clearing institutions, and business administration authorities for cancellation and capital reduction in relation to this repurchase in accordance with the Company Law, the Administrative Measures and other laws and regulations.

The resolution was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM and the Class Meeting for consideration and approval.

## **ORDINARY RESOLUTIONS:**

### **3. 2021 Work Report of the Board**

At the AGM, an ordinary resolution will be proposed to approve 2021 Work Report of the Board. Please see the relevant parts of the 2021 Annual Report for information about 2021 Work Report of the Board.

The 2021 Work Report of the Board was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

### **4. 2021 Work Report of the Supervisory Committee**

At the AGM, an ordinary resolution will be proposed to approve 2021 Work Report of the Supervisory Committee. Details of the 2021 Work Report of the Supervisory Committee are set out in Appendix II to this circular.

The 2021 Work Report of the Supervisory Committee was considered and approved by the Supervisory Committee on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

### **5. 2021 Final Financial Report**

At the AGM, an ordinary resolution will be proposed to approve 2021 Final Financial Report. Details of the 2021 Final Financial Report are set out in the Appendix III to this circular.

The 2021 Final Financial Report was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

### **6. 2021 Annual Report**

At the AGM, an ordinary resolution will be proposed to approve the 2021 Annual Report. The 2021 Annual Report was dispatched to the Shareholders on April 27, 2022, and has been published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.htsc.com.cn](http://www.htsc.com.cn)).

The 2021 Annual Report was considered and approved by the Board and the Supervisory Committee on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

## 7. 2021 Profit Distribution Plan

At the AGM, an ordinary resolution will be proposed to approve the 2021 Profit Distribution Plan.

According to the 2021 annual financial statements of the Company, the net profit for 2021 of the Company reached RMB8,588,552,010.70. According to relevant requirements of the Company Law, the Securities Law, the Financial Rules for Financial Enterprises (《金融企業財務規則》) and the Articles of Association, the Company had appropriated 10% for statutory surplus reserve, 10% for general risk reserve and 10% for trading risk reserve of RMB2,576,565,603.21 in total, after which, the profit available for distribution for the year of 2021 was RMB6,011,986,407.49. In consideration of the balance of undistributed profit in previous years, the accumulated profit available for distribution to investors as at the end of 2021 was RMB20,003,532,244.85.

According to relevant requirements of the CSRC, gains arising from the fair value changes in distributable profit of securities companies shall not be used for cash distribution to shareholders. As at the end of December 2021, the accumulated fair value changes in distributable profit of the parent company was RMB1,911,124,925.20, after deduction of which as required, the profit of the parent company available for distribution to investors in cash amounted to RMB18,092,407,319.65.

After comprehensive consideration of factors such as the interests of Shareholders and the development of the Company, the 2021 Profit Distribution Plan of the Company is proposed as follows:

1. The Company will distribute cash dividend of RMB4.50 (tax inclusive) per 10 Shares based on the Company's existing total share capital of 9,076,650,000 Shares after deducting 45,278,495 Shares deposited in the special account of the Company for securities repurchase and 1,060,973 A Shares to be repurchased and cancelled (i.e. on the basis of 9,030,310,532 Shares), with the total cash dividend of RMB4,063,639,739.40 (tax inclusive), representing 30.45% of net profit attributable to the shareholders of the parent company on a consolidated basis for 2021.

According to relevant provisions of the Guidelines of Self-regulation of Companies Listed on the Shanghai Stock Exchange No. 7 – Repurchase of Shares (《上海證券交易所上市公司自律監管指引第7號-回購股份》), the amount of share repurchases effected by a company in a year shall be deemed as cash dividends and be counted in the calculation of the cash dividend payout ratio for the year. Accordingly, based on the amount of Share repurchases effected by the Company for 2021 of RMB48,959,144.00 (excluding transaction costs), the total cash dividend amounted to RMB4,112,598,883.40, representing 30.81% of net profit attributable to the shareholders of the parent company on a consolidated basis for 2021.

If the total share capital of the Company changes as a result of repurchase and cancellation of Shares granted in the equity incentive during the period from the disclosure date of this plan to the record date of the implementation of the dividend distribution, the Company intends to maintain the distribution ratio per Share unchanged and adjust the total distribution accordingly. The remaining profits available for distribution to investors will be carried forward to the next year.

2. Cash dividend is denominated and declared in Renminbi, and paid to holders of A Shares (including the depositary of GDRs) and the investors of Southbound Trading in Renminbi and to holders of H Shares (excluding the investors of Southbound Trading) in HK dollars. The actual distribution amount in HK dollars shall be calculated at the average basic exchange rate of Renminbi against HK dollars published by the PBOC five business days prior to the date of the AGM of the Company.

The Company will make further notice on the record date and the book closure date for such dividend distribution.

The resolution was considered and approved by the Board and the Supervisory Committee on March 30, 2022, and is now submitted to the AGM for its consideration and approval. Upon the approval at the AGM, the Company will distribute cash dividend to its Shareholders according to the distribution plan within two months from the date of convening the AGM.

#### **8. Resolution on the estimated ordinary transactions with related parties of the Company for 2022**

At the AGM, an ordinary resolution will be proposed to authorize, within the scope of the ordinary transactions with related parties of the Company for 2022 estimated in the resolution, the Company's management to sign or renew relevant agreements according to the Company's need for normal business operation. Details of the resolution on the estimated ordinary transactions with related parties of the Company for 2022 are set out in the Appendix IV to this circular.

The resolution was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

#### **9. Resolution on the estimated investment amount for the proprietary business of the Company for 2022**

An ordinary resolution will be proposed at the AGM to approve the estimated investment amount for the proprietary business of the Company for 2022.

As an essential part of the primary business of the Company, the proprietary investment business is affected by various factors such as national policies and market volatility. The proprietary investment scale is subject to adjustment based on the actual situation so as to seize investment opportunities in a timelier manner. Article 6 of the Provisions on Strengthening the Supervision and Administration of Listed Securities Companies (Revised in 2020) (《關於加強上市證券公司監管的規定(2020年修訂)》) promulgated by the CSRC provides that “pursuant to the requirements of the listing rules of the Shanghai Stock Exchange and the Shenzhen Stock Exchange with respect to transactions which shall be disclosed, where material foreign investments including securities proprietary business of listed securities companies exceeding certain amounts may need to be disclosed and proposed to the shareholders’ general meeting for resolution in time, the aggregate amount of proprietary investments can be considered and disclosed by shareholders’ general meeting of such companies each year; in the event that any changes occurred in proprietary investments, shareholders’ general meeting can authorize the Board to vote and provide announcements in compliance with the Articles of Association.” The Board considered the Proposal on the Estimated Investment Amount for the Proprietary Business of the Company for 2022 and then formed the Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2022. The resolution mainly includes:

Subject to the compliance with the relevant requirements of proprietary business management and risk control indicators issued by the CSRC, propose to authorize the senior management of the Company to determine and adjust the total amount of investment of the proprietary business of the Company within the following limits according to the market condition:

1. The aggregate amount for proprietary equity securities and derivatives thereof shall not exceed 100% of the net capital of the Company;
2. The aggregate amount for proprietary non-equity securities and its derivatives shall not exceed 500% of the net capital of the Company.

The above-mentioned limit excludes long-term equity investment and passive position arising from underwriting business of the Company. The aggregate amount for “proprietary equity securities and derivatives” and “proprietary non-equity securities and its derivatives” shall be calculated according to the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) and the Calculation Standards for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》).

It should be noted that the above-mentioned limits, being cap amounts of the proprietary investment, are set in accordance with relevant requirements of the CSRC and subject to market volatility, and the total amounts of proprietary investment to be made and any variance thereof, do not represent the judgment of the senior management of the Company or the Board on the market. The actual amounts of proprietary investment depend on the market conditions at the time of making such proprietary investment(s).

The resolution was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

#### **10. The resolution on change of the accounting firms of the Company for 2022**

An ordinary resolution will be proposed at the AGM to approve the change of the accounting firms of the Company for 2022.

Reference is made to the announcement dated March 30, 2022 of the Company, in relation to the proposed change of accounting firms.

According to the Administrative Measures for Selection and Appointment of Accounting Firms by State-owned Financial Enterprises (Cai Jin [2020] No. 6) (《國有金融企業選聘會計師事務所管理辦法》(財金[2020]6號文)) issued by the Ministry of Finance of the People's Republic of China, the service term of KPMG Huazhen LLP, the accounting firm formerly engaged by the Company, will expire after the completion of the audit of the 2021 Annual Report. The Company selected and appointed the external auditors for 2022 through an invited tendering process. As appraised by the bid evaluation committee, Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu won the bids. The Company now proposes to appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP as the audit service institute of the Company and its holding subsidiaries for the 2022 annual accounting statement and internal control to issue A Share audit report, internal control audit report and GDRs audit report; and to appoint Deloitte Touche Tohmatsu as the audit service institute for the Company's H Shares to issue H Share audit report. The audit service fee amounts to RMB4.2 million in total, among which the audit fee for internal control amounts to RMB0.35 million.

The Company, after communicating with KPMG Huazhen LLP and KPMG on the change of accounting firms, has been informed that they have no disagreement with the change of accounting firms, and that they have no matters relating to their termination of services that need to be brought to the attention of the Shareholders. The Board and the Audit Committee have also confirmed that there are no disagreements or unresolved matters between them and KPMG Huazhen LLP and KPMG, and are not aware of any related matters that should be brought to the attention of the Shareholders.

The resolution was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

#### **11. The resolution on the election of an Independent Non-executive Director of the fifth session of the Board of the Company**

Reference is made to the announcement dated March 30, 2022 of the Company, in relation to, inter alia, the proposed change of an Independent Non-executive Director of the fifth session of the Board of the Company by the Board.

On March 30, 2022, the Board received a written resignation report from Mr. Chen Chuanming, an Independent Non-executive Director. According to the relevant provisions of the Guidelines of Self-regulation of Companies Listed on the Shanghai Stock Exchange No. 1 – Standard Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》), Mr. Chen Chuanming has proposed to resign as an Independent Non-executive Director of the fifth session of the Board of the Company, the chairman of the Nomination Committee of the Board and the chairman of the Remuneration and Appraisal Committee of the Board as he has been serving as an Independent Non-executive Director of the Company for 6 consecutive years. Mr. Chen Chuanming has confirmed that there is no disagreement between him and the Board, and to the best of his knowledge, there is no matter in relation to his resignation that needs to be brought to the attention of the Shareholders.

As the resignation of Mr. Chen Chuanming will cause the proportion of Independent Non-executive Directors of the Company to the total members of the fifth session of the Board below one-third, Mr. Chen Chuanming has promised to continue to perform his duties until the date when the new Independent Non-executive Director is elected.

According to the Articles of Association, the Board consists of 13 Directors, of which at least one-third are independent Directors. Therefore, the Board resolved to nominate Mr. Wang Quansheng as the candidate for the Independent Non-executive Director of the fifth session of the Board of the Company.

Upon passing of the resolution on the election of Mr. Wang Quansheng as an Independent Non-executive Director of the fifth session of the Board at the AGM, Mr. Wang Quansheng will enter into a service contract with the Company and replace Mr. Chen Chuanming to perform his duties as an Independent Non-executive Director of the fifth session of the Board for a term until the end of the term of the current session of the Board. Pursuant to the Articles of Association, Mr. Wang Quansheng shall be eligible for re-election upon the expiry of his term of office.

The profile of Mr. Wang Quansheng as well as other information related to his appointment are set out below:

Mr. Wang Quansheng (王全勝), born in October 1968, is a doctor of business management. He served as a teaching assistant in the Information Center of the Business School of Nanjing University from September 1993 to August 1995; a lecturer in the Information Center of the Business School of Nanjing University from September 1995 to March 2001; an associate professor and the Deputy Dean of the Department of E-commerce of the Business School of Nanjing University from April 2001 to September 2008; an associate professor and the Dean of the Department of E-commerce of the Business School of Nanjing University from September 2008 to January 2011; a professor and the Dean of the Department of E-commerce of the Business School of Nanjing University from January 2011 to October 2013; a professor and the Dean of the Department of Marketing and E-commerce of the Business School of Nanjing University from October 2013 to September 2016; and a professor and the Associate Dean of the Management School of Nanjing University from September 2016 to December 2020. He has been a professor and the Associate Dean of the Business School of Nanjing University since December 2020.

Mr. Wang Quansheng has many years of experience in business management, which can promote the diversity of the Board members and enable the Board to better supervise the implementation of the development strategies and plans of the Company. The nomination of Mr. Wang Quansheng is based on the Company's consideration of the diversity of the Board from various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge, the value of the candidate and his contribution to the Board, and is implemented under objective conditions, taking the benefits of diversity of the Board members into consideration, and in accordance with laws, regulations and relevant provisions of securities regulatory authorities.

During his tenure as an Independent Non-executive Director of the Company, Mr. Wang Quansheng will receive remuneration from the Company according to the remuneration standards for Independent Non-executive Directors approved by the general meeting of the Company, which will be disclosed by the Company after confirmation. For details, please refer to the Annual Report released by the Company in due course.

As of the Latest Practicable Date, Mr. Wang Quansheng has not been subject to any punishment by the CSRC or other relevant authorities or by any stock exchanges in the past three years. Save as disclosed in this circular, Mr. Wang Quansheng has no other relationship with any Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company; did not hold any other position in any member of the Group; has no interest in any Shares of the Company as defined in Part XV of the Securities and Futures Ordinance; did not hold any directorship of any other listed companies in the past three years; has no information that shall be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules; and has no other matters that need to be brought to the attention of the Shareholders.

The resolution was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

## **12. Report on performance of duties of the Independent Non-executive Directors of the Company for 2021**

At the AGM, an ordinary resolution will be proposed to approve the duty report of the independent Directors of the Company for 2021.

Pursuant to the relevant requirements issued by the Shanghai Stock Exchange, the report on performance of duties of the independent Directors of the Company for 2021 has been published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.htsc.com.cn](http://www.htsc.com.cn)) on March 30, 2022.

The report on performance of duties of the independent Directors of the Company for 2021 was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM for consideration and approval.

### **13. The resolution on the election of a non-executive Director and an executive Director of the fifth session of the Board of the Company**

Reference is made to the announcement dated March 30, 2022 of the Company, in relation to, inter alia, the proposed change of a non-executive Director and an executive Director of the fifth session of the Board of the Company by the Board.

According to the relevant requirements of the Rules for Governance of Securities Companies (《證券公司治理準則》) promulgated by the CSRC and the Articles of Association, Shareholders(s) severally or jointly holding no less than 3% of the outstanding voting Shares of the Company may recommend candidates for Directors (non-employee representative Directors) to the Board.

Recently, the Company received the Letter on Adjustment of Director from Jiangsu Communications Holding Co., Ltd., a Shareholder holding no less than 3% of the outstanding voting Shares of the Company. According to work requirements, Jiangsu Communications Holding Co., Ltd. has nominated Mr. Chen Zhongyang as a non-executive Director of the fifth session of the Board of the Company, and Mr. Chen Yongbing will cease to be a non-executive Director of the fifth session of the Board of the Company. Meanwhile, according to the requirements of relevant laws and regulations and the Articles of Association, the Chairman of the Company has nominated Ms. Yin Lihong as an executive Director of the fifth session of the Board of the Company, and Mr. Zhu Xuebo will cease to be an executive Director of the fifth session of the Board of the Company.

Upon passing of the resolution on the election of Mr. Chen Zhongyang as a non-executive Director of the fifth session of the Board at the AGM, Mr. Chen Zhongyang will enter into a service contract with the Company and replace Mr. Chen Yongbing to perform his duties as a non-executive Director of the fifth session of the Board for a term until the end of the term of the current session of the Board; and upon passing of the resolution on the election of Ms. Yin Lihong as an executive Director of the fifth session of the Board at the AGM, Ms. Yin Lihong will enter into a service contract with the Company and replace Mr. Zhu Xuebo to perform her duties as an executive Director of the fifth session of the Board for a term until the end of the term of the current session of the Board. Pursuant to the Articles of Association, Mr. Chen Zhongyang and Ms. Yin Lihong shall be eligible for re-election upon the expiry of their terms of office.

The profiles of Mr. Chen Zhongyang and Ms. Yin Lihong as well as other information related to their appointments are set out below:

Mr. Chen Zhongyang (陳仲揚), born in October 1967, holds a master's degree and is a senior engineer of the researcher rank. He served as a staff member and the Deputy Section Chief of the Planning Division of the Jiangsu Expressway Command Office (presiding over the work) from June 1992 to November 2000; and the deputy manager of the Operation and Development Department of Jiangsu Jinghu Expressway Co., Ltd. (江蘇京滬高速公路有限公司經營開發部) (presiding over the work) from November 2000 to August 2001. He worked in the Road Assets and Interests Section of Jiangsu Communications Industry Group Co., Ltd. (江蘇交通產業集團有限公司路產路權處) from August 2001 to May 2002. He served as the

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## LETTER FROM THE BOARD

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Deputy Director and Director of the Road Assets and Interests Section of Jiangsu Communications Industry Group Co., Ltd. from May 2002 to October 2004; the Deputy Director of the Operation Safety Department, Deputy Director of the Engineering Technology Department, Deputy Director of the Engineering Technology Department and Deputy Director of the Expansion Project Office, Director of the Expansion Project Office and Deputy Director of the Engineering Technology Department, and Director of Corporate Management and Legal Affairs Department of Jiangsu Communications Holding Co., Ltd. from October 2004 to November 2017; the Chairman, Party Secretary and General Manager, and Chairman and Party Secretary of Jiangsu Jinghu Expressway Co., Ltd. (江蘇京滬高速公路有限公司) from November 2017 to April 2019; the Party Secretary and Director of Jiangsu Expressway Operation and Management Center (江蘇省高速公路經營管理中心) from April 2019 to December 2019; the assistant to the General Manager of Jiangsu Communications Holding Co., Ltd., and the Party Secretary and Director of the Jiangsu Expressway Operation and Management Center from December 2019 to June 2020; and the Deputy General Manager and member of the Party Committee of Jiangsu Communications Holding Co., Ltd., and the Party Secretary and Director of Jiangsu Expressway Operation and Management Center from June 2020 to July 2020. He has served as the Deputy General Manager and member of the Party Committee of Jiangsu Communications Holding Co., Ltd. since July 2020. Currently, Mr. Chen Zhongyang is also a director of Jinling Hotel Co., Ltd. (金陵飯店股份有限公司, a company listed on the Shanghai Stock Exchange, with stock code 601007) and a director of China Eastern Airlines Jiangsu Co., Ltd. (中國東方航空江蘇有限公司). Jiangsu Communications Holding Co., Ltd., where Mr. Chen Zhongyang works, is a wholly-owned enterprise under the State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government, the actual controller of the Company.

Ms. Yin Lihong (尹立鴻), born in January 1970, holds a bachelor's degree, majoring in national economic management. She worked as an employee of Sajiawan Sub-branch of Nanjing Branch of Bank of China Limited ("**Bank of China**", a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, with stock codes 3988 and 601988 respectively) from August 1991 to August 1992; an employee, section member and the Deputy Section Chief of the Planning Department of Bank of China Nanjing Branch from August 1992 to October 1998; the assistant to the President of the Nanjing Chengbei Sub-branch of Bank of China Jiangsu Branch from October 1998 to June 1999; the Vice President of Nanjing Chengxi Sub-branch of Bank of China Jiangsu Branch from June 1999 to September 2003; the President of Nanjing Baixia Sub-branch of Bank of China Jiangsu Branch from September 2003 to July 2004; the Vice President of Nanjing Chengnan Sub-branch of Bank of China Jiangsu Branch from July 2004 to October 2004; the President of Nanjing Xingang Sub-branch of Bank of China Jiangsu Branch from October 2004 to August 2007; the assistant to the General Manager of Planning and Finance Department of Bank of Jiangsu Co., Ltd. ("**Bank of Jiangsu**", a company listed on the Shanghai Stock Exchange, with stock code 600919) from September 2007 to October 2007; and the Deputy General Manager of Human Resources Department of Bank of Jiangsu from October 2007 to April 2009; the General Manager of Human Resources Department and Head of Organization Department of Party Committee of Bank of Jiangsu from April 2009 to June 2021. She has served as Deputy Secretary of the Party Committee of the Company from June 2021 to present.

During his tenure as a non-executive Director of the Company, Mr. Chen Zhongyang will not receive remuneration from the Company. During her tenure as an executive Director of the Company, Ms. Yin Lihong will receive remuneration from the Company, and her remuneration will be determined in accordance with relevant regulations and systems, which will be disclosed by the Company after confirmation. For details, please refer to the Annual Report released by the Company in due course.

As of the Latest Practicable Date, Mr. Chen Zhongyang and Ms. Yin Lihong have not been subject to any punishment by the CSRC or other relevant authorities or by any stock exchanges in the past three years. Save as disclosed in this circular, Mr. Chen Zhongyang and Ms. Yin Lihong have no other relationship with any Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company; did not hold any other position in any member of the Group; have no interest in any Shares of the Company as defined in Part XV of the Securities and Futures Ordinance; did not hold any directorship of any other listed companies in the past three years; have no information that shall be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules; and have no other matters that need to be brought to the attention of the Shareholders.

The resolution was considered and approved by the Board on March 30, 2022, and is now submitted to the AGM for its consideration and approval.

**Explanation of the Proposed Amendments to the Articles of Association of  
Huatai Securities Co., Ltd.**

| Original Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Basis of amendments                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Article 39</b> If the Company's Directors, Supervisors, senior management officers, and shareholders holding 5% or above shares of the Company sell shares within six months after buying the same or buy shares within six months after selling the same, the earnings arising there from shall belong to the Company and the Board shall recover such earnings. However, the six-month restriction shall not be applicable to any sale of shares by a securities company holding 5% or above of the Company's shares as a result of its underwriting and purchase of the untaken shares after offering.</p> <p>If the Company's Board does not comply with the provision of preceding paragraph, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the aforesaid period, the shareholders are entitled to commence litigations in the people's court in their own names for the interests of the Company.</p> <p>...</p> | <p><b>Article 39</b> If the Company's shareholders holding 5% or above shares of the Company, Directors, Supervisors, senior management officers sell shares or other securities with an equity nature within six months after buying the same or buy shares or securities within six months after selling the same, the earnings arising there from shall belong to the Company and the Board shall recover such earnings. However, the restriction shall not be applicable to any sale of shares by a securities company holding 5% or above of the Company's shares as a result of its <b>purchase and underwriting</b> of the untaken shares after offering <b>and other circumstances stipulated by the securities regulatory authorities of the State Council.</b></p> <p><b>The shares or other securities with an equity nature held by Directors, Supervisors, senior management officers and natural person shareholders referred to in the preceding paragraph include the shares or other securities with an equity nature held by their spouses, parents, children, and any of the above which is held by using others' accounts.</b></p> <p>If the Company's Board does not comply with the <b>provision of the first paragraph</b>, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the aforesaid period, the shareholders are entitled to commence litigations in the people's court in their own names for the interests of the Company.</p> <p>...</p> | <p>Amendment is made in accordance with the relevant laws, regulations and normative documents such as the Securities Law of the People's Republic of China currently in force and taking account of the actual situation of the Company.</p> |

| Original Article                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Basis of amendments                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Article 41</b> Where approval by the CSRC is required according to law, shareholders of the Company shall continue to exercise their voting rights independently according to the proportion of their shareholdings prior to the approval. The equity transferer shall not recommend the relevant personnel of the equity transferee to serve as directors, supervisors and senior management of the Company, or transfer the voting rights in any disguised form. | <b>Article 41</b> Where <b>approval</b> by the CSRC is required according to law, shareholders of the Company shall continue to exercise their voting rights independently according to the proportion of their shareholdings prior to the <b>approval</b> . The equity transferer shall not recommend the relevant personnel of the equity transferee to serve as directors, supervisors and senior management of the Company, or transfer the voting rights in any disguised form.                                                                                                                                                                                                                                                                                 | Amendment is made in accordance with the relevant laws, regulations and normative documents such as Provisions on the Administration of Equities of Securities Companies currently in force and taking account of the actual situation of the Company. |
| <b>Article 42</b> Shareholders of the Company shall fully understand their rights and obligations, be fully aware of the Company's operating management, potential risks and other information, have reasonable investment expectation and truthful willingness to make capital contributions, and perform the necessary internal decision procedures.                                                                                                                | <b>Article 42</b> Shareholders of the Company shall fully understand <b>their conditions as well as</b> shareholders' rights and obligations, be fully aware of the Company's operating management, potential risks and other information, have reasonable investment expectation and truthful willingness to make capital contributions, and perform the necessary internal decision procedures.<br><br><b>No agreement with a nature of "betting on" shall be entered into or related arrangements be formed for the Company or other designated entities to redeem equity from or transfer equity to specific shareholders in the event that the Company does not meet specific conditions in the future.</b>                                                     | Same as the above                                                                                                                                                                                                                                      |
| <b>Article 43</b> The shareholding period of the shareholders of the Company shall comply with laws, administrative regulations and relevant regulations of the CSRC.<br><br>The actual controller of the shareholders of the Company shall abide by the same lock-up period as the shareholders of the Company with respect to the equities of the Company under their control, with the exception of situations recognized by the CSRC in accordance with law.      | <b>Article 43</b> The shareholding period of the shareholders of the Company shall comply with laws, administrative regulations and relevant regulations of the CSRC, <b>which provides that the shareholding period may be calculated in continuance if other shareholders of a securities company acquire equity in the company by way of share swap, etc.</b><br><br><b>If the major assets of a shareholder of the Company are equities in the Company, the controlling shareholders and the actual controller of the shareholder shall abide by the same lock-up period as the shareholders of the Company with respect to the equities of the Company under their control, with the exception of situations recognized by the CSRC in accordance with law.</b> | Same as the above                                                                                                                                                                                                                                      |

| Original Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Basis of amendments |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <p><b>Article 44</b></p> <p>...</p> <p>Where shareholders pledge their equity of the Company, they shall not prejudice the interests of other shareholders and the Company, <b>maliciously evade the requirement of equity lock-up period</b>, and shall not agree to exercise the shareholder's rights such as voting rights by the pledgee or other third parties, or transfer the control over the Company's equity in a disguised form.</p>                                                         | <p><b>Article 44</b></p> <p>...</p> <p>Where shareholders pledge their equity of the Company, they shall not prejudice the interests of other shareholders and the Company, and shall not agree to exercise the shareholder's rights such as voting rights by the pledgee or other third parties, or transfer the control over the Company's equity in a disguised form.</p> <p><b>The requirement in the first paragraph of this Article shall not apply to shareholders who hold less than 5% of the equity in the Company.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                  | Same as the above   |
| <p><b>Article 45</b> Shareholders of the Company and their actual controllers shall not:</p> <p>(I) make false and discrepant capital contribution, withdraw capital contribution or withdraw capital contribution in a disguised form;</p> <p>...</p> <p>(VII) other actions prohibited by the CSRC.</p> <p>The Company, its directors, supervisors, senior management and other relevant entities shall not cooperate with the shareholders and their actual controllers in the above situations.</p> | <p><b>Article 45</b> Shareholders of the Company and their <b>controlling shareholders and</b> actual controllers shall not:</p> <p>(I) make false and discrepant capital contribution <b>to the Company</b>, withdraw capital contribution or withdraw capital contribution <b>to the Company</b> in a disguised form;</p> <p>...</p> <p>(VII) other actions prohibited by the CSRC.</p> <p>The Company, its directors, supervisors, senior management and other relevant entities shall not cooperate with the shareholders <b>of the Company</b> and their <b>controlling shareholders and</b> actual controllers in the above situations.</p> <p><b>If the Company finds out that the shareholders and their controlling shareholders and actual controllers have the above- mentioned acts, it should take timely measures to prevent the violations from intensifying, and report to the local office of the CSRC within 2 working days.</b></p> | Same as the above   |

| Original Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Basis of amendments      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <p><b>Article 70</b> The ordinary shareholders of the Company shall have the following obligations:</p> <p>...</p> <p>(2) to pay capital contribution as per the shares subscribed for and the method of subscription;</p> <p><b>Where the shareholders of the Company violate laws and regulations, including false and discrepant capital contribution, withdrawal of capital or withdrawal of capital in disguised form, the Company shall report such to the delegated authority of the CSRC where the Company is domiciled within ten business days, and require the relevant shareholders to make rectification within one month.</b></p> <p>(3) not to make divestment unless in the circumstances stipulated by laws and regulations;</p> <p>(4) to fulfill obligation of capital contribution in strict accordance with the laws and regulations, and the stipulations of the CSRC. The shares of the Company shall be purchased with shareholders' own funds and the funds shall be obtained from legal sources rather than entrusted funds and other funds not owned by themselves, unless otherwise specified by the laws and regulations;</p> <p>...</p> <p>(7) any shareholder who is subject to but has not obtained the approval or has not made due filings with the appropriate regulatory authority, or has not completed mandatory rectification process, is forbidden to exercise such rights of requesting a general meeting of shareholders, voting, nomination, making a proposal, and disposal;</p> <p>...</p> | <p><b>Article 70</b> The ordinary shareholders of the Company shall have the following obligations:</p> <p>...</p> <p>(2) to pay capital contribution as per the shares subscribed for and the method of subscription;</p> <p>(3) not to make divestment unless in the circumstances stipulated by laws and regulations;</p> <p>(4) to fulfill obligation of capital contribution in strict accordance with the laws and regulations, and the stipulations of the CSRC. The shares of the Company shall be purchased with shareholders' own funds and the funds shall be obtained from legal sources rather than entrusted funds and other funds not owned by themselves, with the exception of <b>situations recognized by the laws and regulations and the CSRC</b>;</p> <p>...</p> <p>(7) any shareholder who is subject to but has not obtained the <b>approval</b> or has not made due filings with the appropriate regulatory authority, or has not completed mandatory rectification process, is forbidden to exercise such rights of requesting a general meeting of shareholders, voting, nomination, making a proposal, and disposal;</p> <p>...</p> | <p>Same as the above</p> |

| Original Article                                                                                                                                                                                                                                                                                                                                                           | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Basis of amendments                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Article 71</b></p> <p>...</p> <p>Any entity or individual is prohibited from directly or indirectly holding or actually controlling more than 5% (inclusive) of the shares in the Company without the approval of the CSRC. Otherwise, such act shall be rectified in due course and the relevant shares will not carry voting rights before such rectification.</p> | <p><b>Article 71</b></p> <p>...</p> <p><b>Any entity or individual which becomes a major shareholder of the Company or the actual controller of the Company without approval from the securities regulatory authorities of the State Council shall make rectifications within the specified time limit; the corresponding equity will not carry voting rights before such rectification.</b></p>                                                                                                              | <p>Amendment is made in accordance with the relevant laws, regulations and normative documents such as Regulations on the Supervision and Administration of Securities Companies, Provisions on the Administration of Equities of Securities Companies, Provisions on Strengthening the Regulation of Listed Securities Companies currently in force and taking account of the actual situation of the Company.</p> |
| <p><b>Article 77</b></p> <p>...</p> <p>Guarantees to be provided by the Company to the connected persons, regardless of the amount, should be examined and approved at the general meeting after the consideration and approval of the Board meeting. The Company shall not provide guarantee to the shareholders or the shareholders' connected persons.</p>              | <p><b>Article 77</b></p> <p>...</p> <p>Guarantees to be provided by the Company to the connected persons, regardless of the amount, should be examined and approved at the general meeting after the consideration and approval of the Board meeting. <b>Except for the provision of margin financing and securities lending to customers in accordance with the regulations, the Company shall not provide financing or guarantee for its shareholders or the connected persons of its shareholders.</b></p> | <p>Amendment is made in accordance with the relevant laws, regulations and normative documents such as the Securities Law of the People's Republic of China currently in force and taking account of the actual situation of the Company.</p>                                                                                                                                                                       |

| Original Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Basis of amendments      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <p><b>Article 117</b></p> <p>...</p> <p>The Board, independent directors and shareholders who meet the relevant requirements may collect votes from shareholders. Information including specific voting preference shall be fully provided to the shareholders from whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. The Company and the convener of the general meeting shall not impose any minimum shareholding limitation for soliciting voting rights.</p> | <p><b>Article 117</b></p> <p>...</p> <p>The Board, independent directors, <b>shareholders holding 1% or more of the voting shares or investor protection institutions established pursuant to laws, administrative regulations or the provisions of the securities regulatory authorities of the State Council, as collectors, may as proxy solicitors, by themselves or through their appointed securities companies or securities service institutions publicly invite the shareholders of the Company entrust them to attend the general meeting and exercise the rights of shareholders such as to propose and vote on resolutions, on their behalf.</b></p> <p><b>Where the rights of shareholders are solicited in accordance with the provisions of the preceding paragraph, the solicitors shall disclose the solicitation documents, and the Company shall cooperate.</b></p> <p>Information including specific voting preference shall be fully provided to the shareholders from whom voting rights are being solicited. Consideration or de facto consideration for <b>publicly soliciting shareholders' rights</b> is prohibited. The Company and the convener of the general meeting shall not impose any minimum shareholding limitation for soliciting voting rights.</p> <p><b>Any public solicitation of shareholders' rights in violation of the laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council, which causes the Company or the shareholders of the Company to suffer losses, shall be liable for compensation in accordance with the laws.</b></p> | <p>Same as the above</p> |

| Original Article                                                                                                                                                                                                                                                                                                                                                                  | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Basis of amendments |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <p><b>Article 147</b></p> <p>...</p> <p>Directors of the Company must possess the professional qualifications approved by the CSRC or a delegated authority of the CSRC before taking the positions. Directors of the Company must meet the following requirements:</p> <p>...</p>                                                                                                | <p><b>Article 147</b></p> <p>...</p> <p><b>The appointment and removal of any director by the Company shall be reported to the securities regulatory authorities of the State Council for filing.</b> Directors of the Company must meet the following requirements:</p> <p>...</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Same as the above   |
| <p><b>Article 149</b> Directors shall observe laws, administrative regulations and the Articles of Association and fulfill the following obligations of diligence:</p> <p>...</p> <p>(4) to sign the written confirmation in respect of the regular reports of the Company to assure that the information disclosed by the Company is true, accurate and complete;</p> <p>...</p> | <p><b>Article 149</b> Directors shall observe laws, administrative regulations and the Articles of Association and fulfill the following obligations of diligence:</p> <p>...</p> <p>(4) to sign the written confirmation in respect of the <b>securities issuance documents and</b> regular reports of the Company to assure that <b>the Company discloses information in a timely and fair manner and</b> the information disclosed by the Company is true, accurate and complete. <b>If he/she cannot guarantee the truthfulness, accuracy and completeness of the contents of securities issuance documents and periodic reports or has disputes, he/she shall issue opinions and state reasons in the written confirmation and the Company shall disclose them. Where the Company refuses to disclose, he/she may directly apply for disclosure;</b></p> <p>...</p> | Same as the above   |
| <p><b>Article 157</b></p> <p>...</p> <p>The Chairman, vice chairman shall obtain the professional qualifications from the CSRC or a delegated authority of the CSRC and shall meet the following requirements:</p> <p>...</p>                                                                                                                                                     | <p><b>Article 157</b></p> <p>...</p> <p><b>The Chairman, vice chairman of the Company shall meet the following requirements:</b></p> <p>...</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Same as the above   |

# APPENDIX I

# EXPLANATION TABLE OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

| Original Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Basis of amendments                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Article 158</b> The Board shall exercise the following functions and powers:</p> <p>...</p> <p>(13) to manage information disclosure of the Company;</p> <p>(14) to propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;</p> <p>(15) to listen to work reports of the executive committee and review its work;</p> <p>(16) to determine the compliance management objectives of the Company, and assume responsibility for the effectiveness of compliance management, including but not limited to, to consider and approve the fundamental system of compliance management and the annual compliance reports, to evaluate the effectiveness of compliance management, to supervise the resolution of problems existing in compliance management and to establish the mechanism for direct communication with the Chief Compliance Officer to ensure assessment by the Chief Compliance Officer on senior management officers, each department, branch and subsidiary of each level ("Subordinate Units"), compliance department and compliance management personnel;</p> <p>(17) to formulate risk control system of the Company;</p> <p>(18) to determine Directors' remunerations and distribution plan thereof;</p> <p>(19) to decide on the purchase of the shares of the Company by the Company due to circumstances provided in items (3), (5) and (6) of Article 29 of the Articles of Association;</p> <p>(20) to exercise other functions and powers as stipulated by laws, administrative regulations, departmental rules or the Articles of Association.</p> <p>...</p> | <p><b>Article 158</b> The Board shall exercise the following functions and powers:</p> <p>...</p> <p>(13) to manage information disclosure of the Company;</p> <p><b>(14) to be responsible for the strategic decision of the objectives and planning of cultural construction, and direct the Company to strengthen its cultural construction;</b></p> <p>(15) to propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;</p> <p>(16) to listen to work reports of the executive committee and review its work;</p> <p>(17) to determine the compliance management objectives of the Company, and assume responsibility for the effectiveness of compliance management, including but not limited to, to consider and approve the fundamental system of compliance management and the annual compliance reports, to evaluate the effectiveness of compliance management, to supervise the resolution of problems existing in compliance management and to establish the mechanism for direct communication with the Chief Compliance Officer to ensure assessment by the Chief Compliance Officer on senior management officers, each department, branch and subsidiary of each level ("Subordinate Units"), compliance department and compliance management personnel;</p> <p>(18) to formulate risk control system of the Company;</p> <p>(19) to determine Directors' remunerations and distribution plan thereof;</p> <p><b>(20) to decide on the purchase of the shares of the Company by the Company due to circumstances provided in items (3), (5) and (6) of Article 29 of the Articles of Association;</b></p> <p><b>(21) to exercise other functions and powers as stipulated by laws, administrative regulations, departmental rules or the Articles of Association.</b></p> <p>...</p> | <p>Amendment is made in accordance with the relevant laws, regulations and normative documents such as the Ten Elements of Cultural Construction in the Securities Industry issued by the Securities Association of China and taking account of the actual situation of the Company.</p> |

| Original Article                                                                                                                                                                                                                                                                                                                                                                                                                                   | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Basis of amendments                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Article 180</b> The Development Strategy Committee is mainly responsible for studying and predicting the long-term development strategies of the Company and determining the development strategic plan of the Company. The specific duties are:</p> <p>...</p> <p>(5) providing consultation and advice on the long-term development strategies, material investment, reform and other substantial decisions of the Company;</p> <p>...</p> | <p><b>Article 180</b> The Development Strategy Committee is mainly responsible for studying and predicting the long-term development strategies of the Company and determining the development strategic plan of the Company. The specific duties are:</p> <p>...</p> <p>(5) providing consultation and advice on the long-term development strategies, material investment, reform and other substantial decisions of the Company, <b>and promoting the deep integration of the Company's cultural concept and the Company's development strategies;</b></p> <p>...</p> | Same as the above                                                                                                                                                                                                                                                                 |
| <p><b>Article 191</b></p> <p>...</p> <p>The senior management officers shall have the qualifications recognized by the CSRC or the delegated authority of the CSRC. Persons without such qualifications shall not be authorized by the Company to perform the duties of the senior management officers.</p>                                                                                                                                        | <p><b>Article 191</b></p> <p>...</p> <p><b>The senior management officers shall meet the requirements of laws and regulations and the CSRC. Persons failing to meet such requirements shall not be authorized by the Company to perform the duties of the senior management officers.</b></p>                                                                                                                                                                                                                                                                            | Amendment is made in accordance with the relevant laws, regulations and normative documents such as Rules for Governance of Securities Companies currently in force and taking account of the actual situation of the Company.                                                    |
| <p><b>Article 199</b> The executive committee shall perform the following functions and powers:</p> <p>...</p> <p>(7) to draft the plan for establishment of the internal management departments of the Company;</p> <p>(8) to formulate and approve the plans for wages, awards and penalties of the staff of the Company;</p> <p>(9) to perform other powers and duties authorized by the Board.</p>                                             | <p><b>Article 199</b> The executive committee shall perform the following functions and powers:</p> <p>...</p> <p>(7) to draft the plan for establishment of the internal management departments of the Company;</p> <p><b>(8) to deploy and implement various works for cultural construction;</b></p> <p>(9) to formulate and approve the plans for wages, awards and penalties of the staff of the Company;</p> <p><b>(10)</b> to perform other powers and duties authorized by the Board.</p>                                                                        | Amendment is made in accordance with the relevant laws, regulations and normative documents such as the Ten Elements of Cultural Construction in the Securities Industry issued by the Securities Association of China and taking account of the actual situation of the Company. |

| Original Article                                                                                                                                                                                                                         | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Basis of amendments                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Article 214</b> The Chief Risk Officer shall possess the following qualifications:</p> <p>(1) he or she has obtained the qualifications for taking the role of a senior management officer at a securities company;</p> <p>...</p> | <p><b>Article 214</b> The Chief Risk Officer shall possess the following qualifications:</p> <p>(1) <b>he or she has the qualifications for taking the role of a senior management officer at a securities company;</b></p> <p>...</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Amendment is made in accordance with the relevant laws, regulations and normative documents such as the Securities Law of the People's Republic of China currently in force and taking account of the actual situation of the Company.</p> |
| <p><b>Article 218</b></p> <p>...</p> <p>Prior to the appointment of the Company's Supervisors, such competency and qualifications that required to be approved by the CSRC or the delegated authority by the CSRC shall be obtained.</p> | <p><b>Article 218</b></p> <p>...</p> <p><b>The appointment and removal of any Supervisor by the Company shall be reported to the securities regulatory authorities of the State Council for filing.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Same as the above</p>                                                                                                                                                                                                                      |
| <p><b>Article 220</b> Supervisors may ensure that all information disclosed by the Company is true, accurate and complete.</p>                                                                                                           | <p><b>Article 220</b> Supervisors shall sign the written confirmation in respect of the securities issuance documents and periodic reports of the Company.</p> <p>Supervisors shall ensure that <b>the Company discloses information in a timely and fair manner and</b> all information disclosed by the Company is true, accurate and complete.</p> <p><b>If a Supervisor cannot guarantee the truthfulness, accuracy and completeness of the contents of securities issuance documents or periodic reports or has disputes, he/she shall issue opinions and state reasons in the written confirmation and the Company shall disclose them. Where the Company refuses to disclose, he/she may directly apply for disclosure.</b></p> | <p>Same as the above</p>                                                                                                                                                                                                                      |

| Original Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Basis of amendments                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Article 225</b></p> <p>...</p> <p>The Supervisory Committee shall comprise shareholder representative Supervisors, employee representative Supervisors and independent Supervisors. Shareholder representative Supervisors and independent Supervisors shall be elected and removed by the general meeting. The employee representatives in the Supervisory Committee shall be elected democratically by the general meeting of employee representatives, the general meeting of employees or in other ways.</p> <p>The chairman of the Supervisory Committee of the Company shall have their qualifications recognized by CSRC or its delegated authority before assuming office. The requirements of Chairman stipulated in the Clause (2) of Article 157 in the Articles of Association are also applicable to the chairman of the Supervisory Committee.</p> | <p><b>Article 225</b></p> <p>...</p> <p><b>The Supervisory Committee shall include shareholder representatives and an appropriate proportion of employee representatives of the Company, provided that the proportion of employee representatives shall not be less than one-third.</b> The employee representatives in the Supervisory Committee shall be elected democratically by the general meeting of employee representatives, the general meeting of employees or in other ways.</p> <p><b>The requirements of Chairman of the Company stipulated in the Clause (2) of Article 157 in the Articles of Association are also applicable to the chairman of the Supervisory Committee.</b></p> | <p>Amendment is made in accordance with the relevant laws, regulations and normative documents such as the Securities Law of the People's Republic of China, the Company Law of the People's Republic of China currently in force and taking account of the actual situation of the Company.</p> |
| <p><b>Article 226</b> The Supervisory Committee shall be accountable to the general meeting and exercise the following functions and powers:</p> <p>(1) to review the periodic reports of the Company prepared by the Board and submit written review opinions thereon;</p> <p>...</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>Article 226</b> The Supervisory Committee shall be accountable to the general meeting and exercise the following functions and powers:</p> <p>(1) to review the <b>securities issuance documents</b> and periodic reports of the Company prepared by the Board and submit written review opinions thereon;</p> <p>...</p>                                                                                                                                                                                                                                                                                                                                                                     | <p>Amendment is made in accordance with the relevant laws, regulations and normative documents such as the Securities Law of the People's Republic of China currently in force and taking account of the actual situation of the Company.</p>                                                    |

| Original Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Amended Article                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Basis of amendments      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <p><b>Article 233</b> The following person shall not serve as a Director, Supervisor or senior management officer of the Company:</p> <p>...</p> <p>(7) persons in charge of stock exchange, securities registration and clearing institutions or Directors, Supervisors or senior management officers of securities companies, who were dismissed for any act against law or relevant discipline where less than five years have elapsed since the date of the removal;</p> <p>...</p> <p>(9) persons who were attorneys, certified public accountants or professionals of investment consultation institutions, financial consultation and advice institutions, credit appraisal institutions, assets evaluation institutions or verification institutions, whose qualifications were revoked for any act against law or relevant discipline, where less than five years have elapsed since the date of the revocation;</p> <p>(10) government officers and other persons who are prohibited by law and administrative regulations from concurrently holding position in a company;</p> <p>(11) persons who were subject to administrative penalties by the financial regulatory department due to his or her serious violation of laws or regulations where less than three years have elapsed since the date of completion of the penalties;</p> <p><b>(12) persons who were disqualified by the CSRC where less than three years have elapsed since the date of disqualification;</b></p> <p>(13) persons who were determined to be unfit by the CSRC where less than two years has elapsed since the date of the determination;</p> <p>...</p> | <p><b>Article 233</b> The following person shall not serve as a Director, Supervisor or senior management officer of the Company:</p> <p>...</p> <p>(7) persons in charge of stock <b>dealing institutions</b>, securities registration and clearing institutions or Directors, Supervisors or senior management officers of securities companies, who were dismissed for any act against law or relevant discipline where less than five years have elapsed since the date of the removal;</p> <p>...</p> <p>(9) persons who were attorneys, certified public accountants or professionals of other securities service institutions, <b>whose certified certificates or qualifications were revoked</b> for any act against law or relevant discipline, where less than five years have elapsed since the date of the <b>revocation of certified certificates or qualifications</b>;</p> <p><b>(10) employees of stock dealing institutions, securities companies, securities registration and clearing institution, securities service institutions who had been dismissed for any act against law or relevant discipline, and government officers who had been dismissed;</b></p> <p>(11) government officers and other persons who are prohibited by law and administrative regulations from concurrently holding position in a company;</p> <p>(12) persons who were subject to administrative penalties by the financial regulatory department due to his or her serious violation of laws or regulations where less than three years have elapsed since the date of completion of the penalties;</p> <p>(13) persons who were determined to be unfit by the CSRC where less than two years has elapsed since the date of the determination;</p> <p>...</p> | <p>Same as the above</p> |

| Original Article                                                                                                                                                                                                                                                           | Amended Article                                                                                                                                                                        | Basis of amendments                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Article 312 Definitions</b><br><br>...<br><br>(2) the “major shareholder” refers to a shareholder holding more than 25% of the total share capital of the Company or the largest shareholder holding more than 5% of the total share capital of the Company.<br><br>... | <b>Article 312 Definitions</b><br><br>...<br><br><b>(2) the “major shareholder” refers to a shareholder holding more than 5% of the total share capital of the Company.</b><br><br>... | Amendment is made in accordance with the relevant laws, regulations and normative documents such as Provisions on the Administration of Equities of Securities Companies currently in force and taking account of the actual situation of the Company. |

Dear Shareholders,

On behalf of the Supervisory Committee, I hereby present the 2021 Work Report of the Supervisory Committee to the Shareholders' general meeting for review.

In 2021, in the spirit of being accountable to all the Shareholders and in compliance with the provisions under the Company Law, the Securities Law, the Articles of Association and the Rules of Procedures of the Supervisory Committee, the Supervisory Committee seriously fulfilled and independently exercised its supervisory functions and duties, and effectively supervised the Company's operations, financial condition and major decision-makings of the Board of the Company as well as the compliance with laws and regulations of the senior management in performance of their duties, so as to proactively safeguard the interests of the Company and its Shareholders and to ensure the healthy and long-term development of the Company.

#### **I. MEETINGS OF THE SUPERVISORY COMMITTEE AND ATTENDANCE OF SUPERVISORS DURING THE REPORTING PERIOD**

The Supervisory Committee of the Company convened five meetings during the Reporting Period, details of which are as follows:

| <b>Name of meeting</b>                                                | <b>Date</b> | <b>Form and venue of the meeting</b>                                                                                                               | <b>Resolutions at the meeting</b>                                                                                                                                                                                       |
|-----------------------------------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Seventh Meeting of the Fifth Session of the Supervisory Committee | 2021-02-02  | By means of on-site meeting; venue: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing | To consider the Resolution on the Publicity and the Verification Opinion of the Incentive Participants of the Restricted Share Incentive Scheme of A Shares of the Company.                                             |
| The Eighth Meeting of the Fifth Session of the Supervisory Committee  | 2021-03-23  | By means of on-site meeting; venue: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing | <ol style="list-style-type: none"> <li>1. To consider the 2020 Work Report of the Supervisory Committee of the Company;</li> <li>2. To consider the Proposal on the 2020 Profit Distribution of the Company;</li> </ol> |

| Name of meeting | Date | Form and venue of the meeting | Resolutions at the meeting                                                                                                       |
|-----------------|------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
|                 |      |                               | 3. To consider the Resolution on the Provision for Impairment of Assets;                                                         |
|                 |      |                               | 4. To consider the Resolution on the 2020 Annual Report of the Company;                                                          |
|                 |      |                               | 5. To consider the Resolution on the 2020 Annual Internal Control Evaluation Report of the Company;                              |
|                 |      |                               | 6. To consider the Resolution in Relation to the Adjustment to the Restricted Share Incentive Scheme of A Shares of the Company; |
|                 |      |                               | 7. To consider the Resolution on Granting Restricted A Shares to the Incentive Participants;                                     |
|                 |      |                               | 8. To consider the Report on Performance Assessment and Remuneration of the Supervisors of the Company for 2020;                 |

| Name of meeting                                                        | Date       | Form and venue of the meeting                                                                                                                      | Resolutions at the meeting                                                                                                                                                                                            |
|------------------------------------------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                        |            |                                                                                                                                                    | 9. Debriefing of the Report on Internal Audit of the Company for 2020;<br><br>10. Debriefing of the Internal Audit Work Plan of the Company for 2021.                                                                 |
| The Ninth Meeting of the Fifth Session of the Supervisory Committee    | 2021-04-29 | By means of on-site meeting; venue: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing | To consider the Resolution on the First Quarterly Report of the Company for 2021.                                                                                                                                     |
| The Tenth Meeting of the Fifth Session of the Supervisory Committee    | 2021-08-27 | By means of on-site meeting; venue: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing | To consider the Resolution on 2021 Interim Report of the Company.                                                                                                                                                     |
| The Eleventh Meeting of the Fifth Session of the Supervisory Committee | 2021-10-29 | By means of on-site meeting; venue: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing | 1. To consider the Resolution on the Third Quarterly Report of the Company for 2021;<br><br>2. To consider the Proposal on the Election of Chairman of the Fifth Session of the Supervisory Committee of the Company. |

Details of attendance of all Supervisors of the Company at the meetings of the Supervisory Committee, Board meetings and Shareholders' general meetings during the Reporting Period are set out below:

| Attendance at meetings of the Supervisory Committee                      |                                                                              |                               |                      |                                     |                     |         |                                                                                        |                                       |                                                       |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------|----------------------|-------------------------------------|---------------------|---------|----------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------------------------|
| Name of Supervisors                                                      | Position                                                                     | Number of attendance required | Attendance in person | Attendance by way of teleconference | Attendance by proxy | Absence | Whether or not he/she failed to attend the meeting in person for two consecutive times | Number of attendance at Board meeting | Number of attendance at Shareholders' general meeting |
|                                                                          |                                                                              |                               |                      |                                     |                     |         |                                                                                        |                                       |                                                       |
| Zhai Jun                                                                 | Chairman of the Supervisory Committee and Employee Representative Supervisor | 4                             | 3                    | -                                   | 1                   | -       | No                                                                                     | 2                                     | 2                                                     |
| Gu Chengzhong                                                            | Chairman of the Supervisory Committee and Employee Representative Supervisor | 5                             | 5                    | -                                   | -                   | -       | No                                                                                     | 4                                     | 2                                                     |
| Zhang Ming                                                               | Supervisor                                                                   | 5                             | 1                    | -                                   | 4                   | -       | Yes                                                                                    | -                                     | -                                                     |
| Yu Lanying                                                               | Supervisor                                                                   | 5                             | 3                    | -                                   | 2                   | -       | No                                                                                     | 2                                     | -                                                     |
| Zhang Xiaohong                                                           | Supervisor                                                                   | 5                             | 4                    | -                                   | 1                   | -       | No                                                                                     | 3                                     | 1                                                     |
| Fan Chunyan                                                              | Supervisor                                                                   | 5                             | 2                    | -                                   | 3                   | -       | Yes                                                                                    | 2                                     | -                                                     |
| Wang Ying                                                                | Employee Representative Supervisor                                           | 5                             | 5                    | -                                   | -                   | -       | No                                                                                     | 4                                     | 2                                                     |
| Wang Juan                                                                | Employee Representative Supervisor                                           | 1                             | 1                    | -                                   | -                   | -       | No                                                                                     | 1                                     | -                                                     |
| Number of meetings of the Supervisory Committee convened during the year |                                                                              |                               |                      |                                     |                     |         | 5                                                                                      |                                       |                                                       |
| Of which: number of meetings held by means of on-site                    |                                                                              |                               |                      |                                     |                     |         | 5                                                                                      |                                       |                                                       |
| number of meetings held by way of teleconference                         |                                                                              |                               |                      |                                     |                     |         | -                                                                                      |                                       |                                                       |
| number of meetings held both on-site and by way of teleconference        |                                                                              |                               |                      |                                     |                     |         | -                                                                                      |                                       |                                                       |

*Note 1:* During the Reporting Period, due to business engagement, Mr. Zhang Ming and Ms. Fan Chunyan failed to attend meetings of the Supervisory Committee in person for two consecutive times. They have entrusted another supervisor in writing to exercise the voting right on their behalf.

*Note 2:* On October 29, 2021, the Supervisory Committee of the Company received a Notice on the Election Results for New Employee Supervisor of the Fifth Session of the Supervisory Committee from the Employee Representatives' Meeting, at which Ms. Wang Juan was elected as the Employee Representative Supervisor for the fifth session of the Supervisory Committee of the Company. On the same day, Mr. Gu Chengzhong was elected as the Chairman of the Supervisory Committee of the Company at the eleventh meeting of the fifth session of the Supervisory Committee of the Company, until the end of the term of the fifth session of the Supervisory Committee. Mr. Zhai Jun ceased to serve as the Chairman and the Employee Representative Supervisor of the fifth session of the Supervisory Committee of the Company due to work arrangement.

## II. OPINIONS RAISED BY THE SUPERVISORY COMMITTEE ON THE COMPANY'S RELEVANT MATTERS IN 2021

During the Reporting Period, the Supervisory Committee convened five meetings in total, at which 15 proposals and reports were considered. The Supervisors sat in the Board meetings and Shareholders' general meetings of the Company as non-voting delegates, monitored the decision-making process on material matters on a real-time basis and kept abreast of the management's implementation of the decisions made by the Board by carefully reading the reports of the Company, including Work Newsletter (monthly) and Brief Report on Audit Work (quarterly). On this basis, the Supervisory Committee gave independent opinions on the Company's relevant matters as follows:

### (I) Legal operation

During the Reporting Period, the Company was under legal operation in compliance with relevant laws and regulations such as the Company Law, the Securities Law and the Articles of Association as well as the requirements of the Company's systems. Major operational decisions of the Company were reasonable, and the decision-making procedures were lawful. The Company established a relatively sound internal management system and internal control system, under which various regulations were effectively implemented. During the Reporting Period, the Supervisory Committee found no conducts violating laws, regulations, Articles of Association or damaging the interests of the Company and its Shareholders made by Directors and senior management of the Company when performing their duties, and there were no material risks in the Company.

### (II) Financial aspect of the Company

During the Reporting Period, the Supervisory Committee of the Company regularly convened meetings of the Supervisory Committee to review quarterly reports, interim reports, annual financial reports, annual evaluation reports on internal control and other documents of the Company, and checked the business and financial conditions of the Company. The Supervisory Committee believed that the financial report of the Company for 2021 had been audited by KPMG Huazhen LLP which had issued a standard audit report without qualified opinions. The Company's financial statements were prepared in compliance with relevant requirements under the Accounting Standards for Business Enterprises, and the financial report has truly reflected the financial conditions and operating results of the Company. Regular reports were prepared and reviewed in compliance with relevant laws, regulations and various requirements of the CSRC, the contents of which were true, accurate and complete to reflect the actual conditions of the Company.

### **(III) Implementation of the System regarding Insider Registration and Management and Confidentiality of the Company**

The Company has formulated the System regarding Insider Registration and Management and Confidentiality of the Company (《华泰证券股份有限公司内幕信息知情人登記管理及保密制度》) in accordance with the relevant laws and regulations. During the Reporting Period, the Company carried out the registration and management of insider information in an orderly manner in accordance with the System. There were no incidents found in the Company in violation of insider registration and management and confidentiality obligation.

### **(IV) Related-party transactions**

During the Reporting Period, the related-party transactions of the Company were fair and reasonable, and no circumstances impairing interests of the Company and Shareholders have been found. When the Board of the Company considered related matters, independent Directors expressed independent opinions, affiliated Directors abstained from voting, and the voting procedures were legal and valid.

### **(V) Use of the funds raised**

1. Upon receiving the Approval for Issuance and Admission of Global Depository Receipts on the London Stock Exchange plc by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2018] No. 1993) (《關於核准华泰证券股份有限公司發行全球存託憑證並在倫敦證券交易所上市的批覆》(證監許可[2018]1993號)) from the CSRC, the Company completed issuance of 82,515,000 GDRs in June 2019, and the net funds raised after deduction of the issuing fees were USD1,651,595,986.28, which was equivalent to RMB11,313,036,931.20 based on the intermediary exchange rate of RMB against USD on the date when the funds raised were in place. The aforesaid funds raised were all in place on June 28, 2019 and were verified by KPMG Huazhen LLP with the KPMG capital verification report (Yan Zi No. 1900393) issued.

As of the end of the Reporting Period, the Company used the funds raised from the issuance of GDRs as follows: RMB3,547,720,085.15 was used for continuous investment in the existing main businesses, further development of the wealth management, institutional service, investment management and other business sectors and further advancement of business transformation and upgrading; RMB1,000,000,000.00 was used for supplementing the working capital and for general corporate purposes; and USD1,013,928,574.46 was used for supporting the internal and external growth of international business, and expanding overseas strategic layout. As of December 31, 2021, the planned usage of the Company's funds raised from the issuance of GDRs was consistent with the usage of funds specified in the GDR prospectus with no change. All the funds raised from issuance of GDRs of the Company were used up and relevant accounts have been cancelled.

2. During the Reporting Period, the Company successfully issued nine tranches of corporate bonds of RMB38.5 billion in total; issued ten tranches of short-term corporate bonds of RMB40 billion in total; issued one tranche of subordinated bonds of RMB9 billion; issued three tranches of perpetual subordinated bonds of RMB10 billion; issued six tranches of short-term financing bonds with an accumulative scale of RMB20 billion; issued USD bonds and USD medium-term notes with an accumulative scale of USD1.922 billion. During the Reporting Period, the Company issued 3,879 income certificates in total with a scale of RMB66.233 billion. As of the end of the Reporting Period, 872 income certificates continued to exist with a scale of RMB15.363 billion. The usage of all funds raised was consistent with the content disclosed in the prospectus.

#### **(VI) Relevant information of the Share Incentive Scheme**

During the Reporting Period, the Supervisory Committee reviewed the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. (Draft) and its relevant information, verifying the Incentive Participants and the subsequent adjustments to the Restricted Share Incentive Scheme of A Shares of the Company, the Incentive Participants to be granted and whether the conditions for the grant of the interests to the Incentive Participants have been satisfied, and issued verification opinions. The Incentive Scheme is beneficial to the sustainable development of the Company without any noticeable damage to the interests of the Company and all the Shareholders, and the Incentive Participants are legally and validly qualified, and the procedures are legal and in compliance with the relevant requirements.

#### **(VII) Reviews of the relevant reports**

1. Written reviews and opinions on the 2021 Annual Report of the Company prepared by the Board of Directors were as follows:

The 2021 Annual Report of the Company was prepared and reviewed in compliance with relevant laws, regulations and requirements of regulators, and the contents therein were true, accurate and complete to reflect the actual conditions of the Company.

2. The Supervisory Committee reviewed the 2021 Assessment Report on Internal Control of the Company, and had no objections to the contents therein.

**III. RECOMMENDATIONS FOR THE FUTURE WORKS OF THE COMPANY**

1. Continuously improve the risk management system of the Group. During the Reporting Period, focusing on business risk management and control and taking the consolidated statement supervision as the driver, the Company strengthened risk assessment and management and control of key businesses and areas and adhered to technology empowerment, promoting the digital transformation of risk management. The Company shall continue to strengthen the pre-risk management and control capability and the overall risk control of multiple lines to effectively prevent risks arising from fat tail events such as Black swan. The Company shall continue to build an integrated risk management system covering all types of products, multiple trading platform and all customers at home and abroad to ensure the risks are measurable, controllable and tolerable.
2. Further deepen the sanctions compliance management and control system of the Group. During the Reporting Period, based on its global layout and development strategy, the Company was the first in the industry to conduct gap analysis on sanctions compliance, issued guidelines on prevention of sanctions compliance risks, and launched the Group's list scanning management and control center system, preliminarily establishing a compliance management system and mechanism for international economic sanctions and export control. The Company shall continue to create a sanction compliance culture, strengthen the concept of sanction compliance, deepen the integrated management and control of the parent company and subsidiaries, and improve the Group's sanction compliance system with a systematic, digital and embedded management model to demonstrate the Company's excellent compliance image in the international competition.

In the new year, the Supervisory Committee of the Company will perform its supervisory duties in an earnest and legal manner and enhance supervisory efforts to promote companywide compliance and development of risk management system, and to practically safeguard the interests of the Company and the legitimate rights of Shareholders. All Supervisors will further enhance their capacity and improve their performance through continuous study, so as to foster the regulated, orderly and healthy development of the Company.

This report has been considered and approved at the Twelfth Meeting of the Fifth Session of the Supervisory Committee, and is now submitted to the Shareholders for your consideration.

**The Supervisory Committee of the Company**

Dear Shareholders,

The final financial report of the Company for 2021 is as follows:

## I. OVERALL SITUATION OF THE COMPANY

In 2021, under the situation of regular epidemic prevention and control, the Company continued to promote digital transformation and established leading advantages in service and platform to provide customers with comprehensive financial services throughout the life cycle. The Company achieved steady performance growth with increasingly differentiated core competitiveness.

In 2021, the operating income of the Group amounted to RMB37.91 billion, representing a year-on-year increase of 20.5%. The net profit amounted to RMB13.60 billion, representing a year-on-year increase of 25.1%. The net profit attributable to the parent company amounted to RMB13.35 billion, representing a year-on-year increase of 23.3%.

### Brief income and expenditure of the Group (Unit: RMB100 million, Currency: RMB)

| Item                                          | 2021  | 2020  | Year-on-year change |
|-----------------------------------------------|-------|-------|---------------------|
| Operating income                              | 379.1 | 314.4 | 20.5%               |
| Operating expenses                            | 215.7 | 179.4 | 20.2%               |
| Of which: operation and management expenses   | 172.7 | 151.7 | 13.9%               |
| Operating profit                              | 163.4 | 135.0 | 21.0%               |
| Net profit                                    | 136.0 | 108.7 | 25.1%               |
| Net profit attributable to the parent company | 133.5 | 108.2 | 23.3%               |

Thanks to the outstanding performance of various businesses, the operating income and net profit of the Group staged a marked growth and hit a record high. The weighted average return on net assets reached 9.84%, representing a year-on-year increase of 1.23 percentage points, and the profitability was further improved. The operating profit margin after deducting non-recurring gains and losses was 34.8%, representing a year-on-year increase of 1 percentage point.

**Brief Balance Sheet of the Group**  
(Unit: RMB100 million, Currency: RMB)

| Item                         | As at<br>the end of<br>2021 | As at<br>the end of<br>2020 | Year-on-<br>year change |
|------------------------------|-----------------------------|-----------------------------|-------------------------|
| Total assets                 | 8,066.5                     | 7,167.5                     | 12.5%                   |
| Total liabilities            | 6,546.2                     | 5,844.4                     | 12.0%                   |
| Net assets                   | 1,520.4                     | 1,323.1                     | 14.9%                   |
| Net capital (parent company) | 823.1                       | 679.1                       | 21.2%                   |

At the end of 2021, the Group's total assets were RMB806.65 billion, representing an increase of RMB89.90 billion as compared with the beginning of the year, scaling a historic high. The asset increase was mainly attributed to the net inflow of customer's funds of approximately RMB11.1 billion and an increase of RMB58.9 billion in the financing scale and financial investment scale of the Company. The growth of financial investment is mainly due to the increase in asset scale brought about by the comprehensive development of domestic and overseas stock derivatives business. The Group's total liabilities were RMB654.62 billion at the end of the year, representing an increase of RMB70.18 billion as compared with the beginning of the year, among which, active liability increased by RMB59.1 billion compared with the beginning of the year. The net assets amounted to RMB152.04 billion at the end of the year, representing a year-on-year increase of 14.9%, mainly due to the issuance of nearly RMB10 billion of perpetual bonds by the Company; the net capital of the parent company was RMB82.31 billion, representing a year-on-year increase of 21.2%. The Group's debt-to-assets ratio was 76.9%, representing a year-on-year decrease of 0.3 percentage point, mainly due to the decline in the financial leverage level as result of the issuance of perpetual bonds by the Company.

## II. FINANCIAL INCOME AND EXPENDITURE AND FORECAST REALIZATION

In 2021, the daily average stocks and funds trading volume in the A-share market amounted to RMB1,136.9 billion (on an unilateral basis), higher than the optimistic assumption of RMB900.0 billion; the average daily balance of the securities margin trading in the market was RMB1,764.4 billion, higher than the optimistic assumption of RMB1,600.0 billion. Major indexes of the A-share market entered a volatile market after a rapid rise at the beginning of the year. The currency market condition was relatively loose, and the 10-year treasury bond interest rate fluctuated downward. The overall market environment was better than the optimistic assumption. Therefore, unless otherwise stated, the forecast realization rates mentioned below were calculated based on the optimistic forecast.

**(I) Realization of the Group's revenue forecast**

The Group achieved an operating income of RMB37.91 billion, and the forecast realization rate was 114.9% for the year. Except for the investment management business, all the other principal businesses have realized the forecast for the year.

**Realization of revenue forecast of the business segments of the Group**  
**(Unit: RMB100 million, Currency: RMB)**

| Item                   | Actual         |                     | Forecast realization rate | Same period in the last year | Year-on-year change |
|------------------------|----------------|---------------------|---------------------------|------------------------------|---------------------|
|                        | figure in 2021 | Optimistic forecast |                           |                              |                     |
| Wealth management      | 162.9          | 126.9               | 128.3%                    | 124.8                        | 30.5%               |
| Institutional service  | 93.2           | 89.4                | 104.3%                    | 75.8                         | 23.0%               |
| Investment management  | 43.9           | 56.7                | 77.3%                     | 63.3                         | -30.8%              |
| International business | 63.1           | 40.2                | 157.0%                    | 39.4                         | 60.2%               |
| Others                 | 16.0           | 16.8                | 95.6%                     | 11.1                         | 44.1%               |
| <b>Total</b>           | <b>379.1</b>   | <b>330.0</b>        | <b>114.9%</b>             | <b>314.4</b>                 | <b>20.5%</b>        |

**1. Wealth management business.** In 2021, the market trading activities increased significantly, The Company firmly built a customer-oriented integrated service system and continuously promoted the transformation of wealth management business, achieving a net income of RMB16.29 billion and a forecast realization rate of 128.3%. In particular, net income of the securities and futures brokerage business and capital intermediary business amounted to RMB11.90 billion and RMB4.39 billion, respectively.

During the Reporting Period, the Group provided customers with efficient professional services through an open digital platform. According to the Shanghai and Shenzhen Stock Exchange members' statistics, the Group's equity and fund trading volume totaled RMB42.3 trillion, ranking first in the industry; according to the statistics from the Asset Management Association of China (中國證券投資基金業協會) as of the fourth quarter of 2021, the Group's public funds in the non-money market maintained a scale of RMB93.2 billion, ranking second in the industry; the fund investment advisory business developed rapidly, with its business scale ranking first in the securities industry; as of the end of the Reporting Period, the balance of the margin financing and securities lending business was RMB137.7 billion, ranking second in the industry.

**2. Institutional service business.** Net income amounted to RMB9.32 billion, with a forecast realization rate of 104.3%, of which net income of investment and trading business (including dividends) amounted to RMB4.29 billion, representing a year-on-year increase of 21.9%, and the nominal principal amount of derivatives increased by 47.2% year-on-year, of which the nominal principal amount of equity derivatives increased by 167.4% year-on-year; the investment banking business realized net income of RMB4.27 billion, representing a

year-on-year increase of 24.8%, mainly due to the significant increase in the amounts raised from equity and debt projects of the Company during the year of 2021; the custody and research business achieved revenue of RMB760 million, representing a year-on-year increase of 19.4%.

**3. Investment management business.** The net income was RMB4.39 billion, with a forecast realization rate of 77.3%. Huatai Asset Management continued to reduce channel businesses and optimize product structure during the year of 2021. As of the end of 2021, the asset management scale was RMB518.57 billion, with the proportion of active management scale further increasing, and the income was RMB2.36 billion, showing a slight decrease. Due to the impact of the relevant sectors in the secondary market, the valuation of investment targets of Huatai Purple Gold Investment has greatly drop. It achieved an income of RMB0.94 billion, representing a year-on-year decrease of 70.9%. Benefiting from the outstanding performance of co-investment projects on the STAR Market, Huatai Innovative Investment recorded an income of RMB1,090 million, representing a year-on-year increase of 92.7%.

**4. International business.** The net income was RMB6.31 billion, with a forecast realization rate of 157.0%. Huatai Financial Holdings (Hong Kong) actively took advantages of domestic and overseas integration and cross-border linkage to optimize the cross-border comprehensive financial service platform system, with overseas FICC and stock derivative businesses maintaining sound development trends. The financial investment scale reached nearly RMB95.9 billion at the end of the Reporting Period, representing an increase of 55.1% as compared with the beginning of the year. Huatai Financial Holdings (Hong Kong) achieved income of RMB3.88 billion, representing a year-on-year increase of 100.4%. The assets under management of AssetMark reached USD93.5 billion at the end of 2021, representing an increase of 25.5% as compared with the end of the previous year. AssetMark recorded an income of RMB2.4 billion, representing a year-on-year increase of 19.5%.

**5. Other businesses.** The net income amounted to RMB1.6 billion, with a forecast realization rate of 95.6%. The income of associates increased year-on-year, and the exchange loss on foreign currency assets increased.

## **(II) Realization of the Group's operating expenses forecast**

The Group's operating expenses were RMB21.57 billion, and the forecast realization rate was 114.4% for the year of 2021, which was mainly due to the fact that the basis trading of commodities and the warehouse warrant business drove a substantial increase in other operating costs.

**Realization of the operating expenses forecast**  
**(Unit: RMB100 million, Currency: RMB)**

| <b>Item</b>                             | <b>Actual<br/>figure in<br/>2021</b> | <b>Optimistic<br/>forecast</b> | <b>Forecast<br/>realization<br/>rate</b> | <b>Same<br/>period in<br/>the last<br/>year</b> | <b>Year-on-<br/>year<br/>change</b> |
|-----------------------------------------|--------------------------------------|--------------------------------|------------------------------------------|-------------------------------------------------|-------------------------------------|
| Taxes and surcharges                    | 2.4                                  | 2.3                            | 103.4%                                   | 2.1                                             | 14.7%                               |
| Operation and<br>management<br>expenses | 172.7                                | 170.2                          | 101.5%                                   | 151.7                                           | 13.9%                               |
| Impairment losses                       | 5.5                                  | 3.0                            | 182.7%                                   | 13.1                                            | -58.0%                              |
| Other operating costs                   | 35.1                                 | 12.9                           | 271.1%                                   | 12.6                                            | 177.5%                              |
| <b>Total</b>                            | <b>215.7</b>                         | <b>188.5</b>                   | <b>114.4%</b>                            | <b>179.4</b>                                    | <b>20.2%</b>                        |

*Note:* Impairment losses include credit impairment losses and other asset impairment losses.

The Group's operation and management expenses increased by 13.9% year-on-year, mainly attributable to: the increase of labour costs in line with the increase of revenue; the significant increase in related technology development, operation and maintenance services and other expenses as a result of the Company's continuous construction of leading Fintech ecosystem; the increase in stock exchange fees arising from the increase in transaction volume; and the increased marketing and brand promotion efforts made by the Company to continue to expand the customer base.

The year-on-year increase in other operating costs was 177.5%, mainly attributable to the basis trading of commodities and the expansion of warehouse warrant business of Huatai Futures and Huatai Financial Holdings (Hong Kong) and the increase in other operating incomes and costs.

The Company captured market opportunities to unswervingly promote the two-pronged strategy, improve profitability and stress profit efficiency, recording a net profit attributable to the parent company of RMB13.35 billion and a forecast realization rate of 118.2% for the year of 2021.

### III. CAPITAL EXPENDITURE OF THE GROUP

In 2021, the capital expenditure of the Group was RMB1,150 million and the forecast realization rate was 78.5%. The Company comprehensively promoted its digital transformation focusing on the overall target of "client's success, business innovation, operation optimization and employee empowering". During the Reporting Period, the Company launched Securities Lending Path 3.0 (融券通3.0) to promote the innovative development of securities lending business and the continuous expansion of the scale of securities lending. The Company introduced an integrated trading platform covering both the domestic and overseas markets to

provide customers with full business support at home and abroad. Moreover, the Company created Data Intelligence Middle Platform 3.0 (數智中台3.0) to build an integrated data infrastructure platform. The Company thoroughly transformed its business and management model with digital thinking and platforms, and built a leading self-developed system for information technology research and development to achieve all-round customer and business empowerment.

### Realization of capital expenditure forecast in 2021

(Unit: RMB100 million, Currency: RMB)

| Item                               | Actual<br>figure of<br>the Group | Forecast<br>of the<br>Group | Forecast<br>realization<br>rate of<br>the Group | Actual<br>figure of<br>the<br>parent<br>company | Forecast<br>of the<br>parent<br>company | Forecast<br>realization<br>rate of<br>the<br>parent<br>company |
|------------------------------------|----------------------------------|-----------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------|----------------------------------------------------------------|
| Electronic and office<br>equipment | 4.4                              | 4.0                         | 109.3%                                          | 3.4                                             | 3.1                                     | 110.1%                                                         |
| Transportation<br>equipment        | 0.0                              | 0.3                         | 7.9%                                            | 0.0                                             | 0.3                                     | 2.5%                                                           |
| Renovation expenses                | 2.0                              | 3.2                         | 62.5%                                           | 1.4                                             | 2.2                                     | 62.9%                                                          |
| Software expenses                  | 5.1                              | 7.2                         | 71.4%                                           | 2.7                                             | 4.7                                     | 58.0%                                                          |
| <b>Total</b>                       | <b>11.5</b>                      | <b>14.7</b>                 | <b>78.5%</b>                                    | <b>7.5</b>                                      | <b>10.3</b>                             | <b>73.1%</b>                                                   |

This report has been considered and approved at the twenty-first meeting of the Fifth Session of the Board of Directors, and is now submitted to the Shareholders for your consideration.

**The Board of Directors of the Company**

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| APPENDIX IV | RESOLUTION ON THE ESTIMATED ORDINARY<br>TRANSACTIONS WITH RELATED PARTIES<br>OF THE COMPANY FOR 2022 |
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Dear Shareholders:

According to the requirements under relevant laws and regulations, the Listing Rules and the Management System for Related-party Transactions of the Company, with reference to the actual situation of related-party transactions of the Company in recent years and based on its needs in ordinary operations and business development, the Company made estimates on the ordinary transactions with related parties of the Company in 2022 with details as follows:

**I. GENERAL SITUATION OF ESTIMATED ORDINARY TRANSACTIONS WITH RELATED PARTIES OF THE COMPANY IN 2022**

**(I) Estimated related party transactions in relation to Jiangsu Guoxin Investment Group Limited**

**1. Jiangsu Guoxin Investment Group Limited and its subsidiaries**

| Type of transaction                        | Item                          | Brief description of relevant business or item                                                                                                                                  | Estimated transaction cap and description                                                                                                                           |
|--------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products services | Securities trading commission | The business department of the Company provides securities and futures brokerage services to it in exchange of a commission determined with reference to the market price.      | The amount for 2022 will be calculated based on the actual amount as the securities market conditions and securities trading amount cannot be estimated accurately. |
|                                            | Investment banking income     | The Company or its subsidiaries provide securities underwriting, financial advisory and other services to it in exchange of fees determined with reference to the market price. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                                       |

| <b>Type of transaction</b>                | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                               | <b>Estimated transaction cap and description</b>                                                                                                         |
|-------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products trading | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, investment in bonds, repurchase of bonds and lending of bonds in the secondary market. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the bond market conditions and specific business scale. |
|                                           | Investment income                                                 | Income from holding and disposal of financial assets held for trading and income from holding and disposal of debt investment.      | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |

**2. Zking Property & Casualty Insurance Co., Ltd.**

| <b>Type of transaction</b>                | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                               | <b>Estimated transaction cap and description</b>                                                                                                         |
|-------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products trading | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, investment in bonds, repurchase of bonds and lending of bonds in the secondary market. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the bond market conditions and specific business scale. |
|                                           | OTC derivatives trading                                           | Including, but not limited to, income swap, interest rate swap, OTC option trading.                                                 | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |

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|-------------|------------------------------------------------------------------------------------------------------|
| APPENDIX IV | RESOLUTION ON THE ESTIMATED ORDINARY<br>TRANSACTIONS WITH RELATED PARTIES<br>OF THE COMPANY FOR 2022 |
|-------------|------------------------------------------------------------------------------------------------------|

(II) Estimated related party transactions in relation to Jiangsu Communications Holding Co., Ltd.

1. *Jiangsu Communications Holding Co., Ltd. and its subsidiaries (excluding Jiangsu Yunshan Capital Management Co., Ltd.)*

| Type of transaction                        | Item                                                              | Brief description of relevant business or item                                                                                                                                             | Estimated transaction cap and description                                                                                                                           |
|--------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products services | Securities trading commission                                     | The business department of the Company provides securities and futures brokerage services to it in exchange of a commission determined with reference to the market price.                 | The amount for 2022 will be calculated based on the actual amount as the securities market conditions and securities trading amount cannot be estimated accurately. |
|                                            | Investment banking income                                         | The Company or its subsidiaries provide securities underwriting, financial advisory and other services to it in exchange of fees determined with reference to the market price.            | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                                       |
| Securities and financial products trading  | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, investment in bonds, repurchase of bonds and lending of bonds in the secondary market.                                                        | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the bond market conditions and specific business scale.            |
|                                            | Investment income                                                 | Income from holding and disposal of financial assets held for trading and income from holding and disposal of debt investment.                                                             | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                                       |
|                                            | Disposal of financial products                                    | Disposal of the Company's non-publicly issued financial products (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                                       |

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**APPENDIX IV                      RESOLUTION ON THE ESTIMATED ORDINARY  
TRANSACTIONS WITH RELATED PARTIES  
OF THE COMPANY FOR 2022**

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**2.    *Jiangsu Yunshan Capital Management Co., Ltd.***

| <b>Type of transaction</b>                | <b>Item</b>                    | <b>Brief description of relevant business or item</b>                                                                                                                                      | <b>Estimated transaction cap and description</b>                                                                              |
|-------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products trading | Disposal of financial products | Disposal of the Company's non-publicly issued financial products (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

**3.    *Bank of Nanjing Co., Ltd.***

| <b>Type of transaction</b>                 | <b>Item</b>                        | <b>Brief description of relevant business or item</b>                                                                                                                           | <b>Estimated transaction cap and description</b>                                                                              |
|--------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products services | Investment banking income          | The Company or its subsidiaries provide securities underwriting, financial advisory and other services to it in exchange of fees determined with reference to the market price. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
|                                            | Investment banking expenses        | The Company or its subsidiaries receive securities underwriting and other services by it in exchange of fees determined with reference to the market price.                     | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
|                                            | Interest income from bank deposits | Net interest income.                                                                                                                                                            | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

| <b>Type of transaction</b>                | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                                                                                                                                           | <b>Estimated transaction cap and description</b>                                                                                                         |
|-------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products trading | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, investment in bonds, bills rediscounting, repurchase of bonds and lending of bonds in the secondary market.                                                                                        | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the bond market conditions and specific business scale. |
|                                           | Investment income                                                 | Income from holding and disposal of financial assets held for trading and income from holding and disposal of debt investment.                                                                                                                  | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                           | Liquidity coordination                                            | Mainly including inter-bank lending, overdraft facility of legal person's account, repurchase of bonds, repurchase of bills, liquidity support and commitment.                                                                                  | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the business scale.                                     |
|                                           | Purchase of financial products                                    | Purchase of its non-publicly issued, underwritten, accepted/discounted financial products (including but not limited to various types of bonds, asset securitization, wealth management products, asset management products, electronic bills). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |

| <b>Type of transaction</b> | <b>Item</b>                    | <b>Brief description of relevant business or item</b>                                                                                                                                      | <b>Estimated transaction cap and description</b>                                                                              |
|----------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
|                            | Disposal of financial products | Disposal of the Company's non-publicly issued financial products (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
|                            | OTC derivatives trading        | Including, but not limited to, income swap, interest rate swap, OTC option trading.                                                                                                        | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

**4. Fuanda Fund Management Co., Ltd.**

| <b>Type of transaction</b>                | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                               | <b>Estimated transaction cap and description</b>                                                                              |
|-------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products trading | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, investment in bonds, repurchase of bonds and lending of bonds in the secondary market. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
|                                           | OTC derivatives trading                                           | Including, but not limited to, income swap, interest rate swap, OTC option trading.                                                 | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

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**(III) Estimated related party transactions in relation to Govtor Capital Group Co., Ltd.**

**1. Govtor Capital Group Co., Ltd.**

| <b>Type of transaction</b>                 | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                                                                                      | <b>Estimated transaction cap and description</b>                                                                                                         |
|--------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products services | Investment banking income                                         | The Company or its subsidiaries provide securities underwriting, financial advisory and other services to it in exchange of fees determined with reference to the market price.            | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                            | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, investment in bonds, repurchase of bonds and lending of bonds in the secondary market.                                                        | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the bond market conditions and specific business scale. |
|                                            | Investment income                                                 | Income from holding and disposal of financial assets held for trading and income from holding and disposal of debt investment.                                                             | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                            | Disposal of financial products                                    | Disposal of the Company's non-publicly issued financial products (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |

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**2. *Jiangsu Fenghai New Energy Seawater Desalination Development Co., Ltd.***

| Type of transaction                       | Item                           | Brief description of relevant business or item                                                                                                                                             | Estimated transaction cap and description                                                                                     |
|-------------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products trading | Disposal of financial products | Disposal of the Company's non-publicly issued financial products (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

**(IV) Estimated related party transactions in relation to China Southern Asset Management Co., Ltd.**

**1. *China Southern Asset Management Co., Ltd.***

| Type of transaction                        | Item                                                         | Brief description of relevant business or item                                                                                                                                                                                   | Estimated transaction cap and description                                                                                     |
|--------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products services | Trading seat compartment commission and sales service charge | The Company acts as an agent for sales of and retains its fund products and leases trading seats and provides brokerage services to it in exchange of commission and other income determined with reference to the market price. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

| <b>Type of transaction</b>                | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                                                                                      | <b>Estimated transaction cap and description</b>                                                                                                         |
|-------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products trading | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, investment in bonds, repurchase of bonds and lending of bonds in the secondary market.                                                        | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the bond market conditions and specific business scale. |
|                                           | Purchase of financial products                                    | Purchase of its non-publicly issued financial products (including but not limited to various types of bonds, asset securitization and asset management products).                          | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                           | Disposal of financial products                                    | Disposal of the Company's non-publicly issued financial products (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                           | OTC derivatives trading                                           | Including, but not limited to, income swap, interest rate swap, OTC option trading.                                                                                                        | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
| Other transactions with related parties   | Rental income/expense                                             | The Company rents/leases business premises and office equipment to it in exchange of/by paying rental.                                                                                     | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |

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**2. CSOP Asset Management Limited**

| <b>Transaction type</b>           | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                                                                                                                            | <b>Caps for and Descriptions of Estimated Transactions</b>                                                                                               |
|-----------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products | Trading seat compartment commission and sales service charge      | The Company acts as an agent for sales of and retains its fund products and leases trading seats and provides brokerage services to it in exchange of commission and other income determined with reference to the market price. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                   | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, and investment in bonds, repurchase of bonds and lending of bonds in the secondary market.                                                                                          | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the bond market conditions and specific business scale. |
|                                   | Purchase of financial products                                    | Purchase of its non-publicly issued financial products (including but not limited to various types of bonds, asset securitization and asset management products).                                                                | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                   | Disposal of financial products                                    | Disposal of non-publicly issued financial products by the Company (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund).                                      | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                   | OTC derivatives trading                                           | Including but not limited to income swap, interest rate swap and OTC option trading.                                                                                                                                             | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |

**(V) Estimated related party transactions with Bank of Jiangsu Co., Ltd.**

| <b>Transaction type</b>                    | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                                                                           | <b>Caps for and Descriptions of Estimated Transactions</b>                                                                                               |
|--------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products services | Investment banking income                                         | The Company or its subsidiaries provide securities underwriting, financial advisory and other services to it in exchange of fees determined with reference to the market price. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                            | Investment banking expenses                                       | The Company or its subsidiaries receive securities underwriting and other services by it in exchange of fees determined with reference to the market price.                     | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
|                                            | Interest income from bank deposits                                | Net interest income.                                                                                                                                                            | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |
| Securities and financial products trading  | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, and investment in bonds, bills rediscounting, repurchase of bonds and lending of bonds in the secondary market.                    | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the bond market conditions and specific business scale. |
|                                            | Investment income                                                 | Income from holding and disposal of financial assets held for trading and income from holding and disposal of debt investment.                                                  | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale.                            |

| <b>Transaction type</b> | <b>Item</b>                    | <b>Brief description of relevant business or item</b>                                                                                                                                                                                          | <b>Caps for and Descriptions of Estimated Transactions</b>                                                                    |
|-------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
|                         | Liquidity coordination         | Mainly including inter-bank lending, overdraft facility of legal person's account, repurchase of bonds, repurchase of bills, liquidity support and commitment.                                                                                 | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the business scale.          |
|                         | Purchase of financial products | Purchase of its non-publicly issued, underwritten, accepted/discouted financial products (including but not limited to various types of bonds, asset securitization, wealth management products, asset management products, electronic bills). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
|                         | Disposal of financial products | Disposal of non-publicly issued financial products by the Company (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund).                                                    | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
|                         | OTC derivatives trading        | Including but not limited to income swap, interest rate swap and OTC option trading.                                                                                                                                                           | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

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**(VI) Estimated related party transactions with Lian Life Insurance Co., Ltd.**

| <b>Transaction type</b>                    | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                                                                           | <b>Caps for and Descriptions of Estimated Transactions</b>                                                                    |
|--------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products services | Investment banking income                                         | The Company or its subsidiaries provide securities underwriting, financial advisory and other services to it in exchange of fees determined with reference to the market price. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
| Securities and financial products trading  | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, and investment in bonds, repurchase of bonds and lending of bonds in the secondary market.                                         | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
|                                            | OTC derivatives trading                                           | Including but not limited to income swap, interest rate swap and OTC option trading.                                                                                            | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

**(VII) Estimated related party transactions with CMB Wealth Management Company Limited**

| <b>Transaction type</b>                   | <b>Item</b>                                                       | <b>Brief description of relevant business or item</b>                                                                                   | <b>Caps for and Descriptions of Estimated Transactions</b>                                                                                               |
|-------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products trading | Trading in and subscription of bonds in the fixed income business | Subscription of bonds in the primary market, and investment in bonds, repurchase of bonds and lending of bonds in the secondary market. | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the bond market conditions and specific business scale. |

| <b>Transaction type</b> | <b>Item</b>                    | <b>Brief description of relevant business or item</b>                                                                                                                                       | <b>Caps for and Descriptions of Estimated Transactions</b>                                                                    |
|-------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
|                         | Purchase of financial products | Purchase of its non-publicly issued financial products (including but not limited to various types of bonds, asset securitization and asset management products).                           | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
|                         | Disposal of financial products | Disposal of non-publicly issued financial products by the Company (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |
|                         | OTC derivatives trading        | Including but not limited to income swap, interest rate swap and OTC option trading.                                                                                                        | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

**(VIII) Estimated related party transactions with Leysen Jewelry Co., Ltd.**

| <b>Transaction type</b>                   | <b>Item</b>                    | <b>Brief description of relevant business or item</b>                                                                                                                                       | <b>Caps for and Descriptions of Estimated Transactions</b>                                                                    |
|-------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Securities and financial products trading | Disposal of financial products | Disposal of non-publicly issued financial products by the Company (including but not limited to various types of bonds, income certificates, asset securitization and private equity fund). | The amount for 2022 will be calculated based on the actual amount as it is difficult to estimate the specific business scale. |

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TRANSACTIONS WITH RELATED PARTIES  
OF THE COMPANY FOR 2022**

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**II. INTRODUCTION OF THE MAJOR RELATED PARTIES AND THE  
RELATIONSHIP**

1. Jiangsu Guoxin Investment Group Limited held 1,373,481,636 Shares at the end of 2021, accounting for 15.13% of the total share capital of the Company, as the largest holder of A Shares of the Company. Jiangsu Guoxin Investment Group Limited was established in February 2002 as a wholly state-owned enterprise under Jiangsu SASAC with registered capital of RMB30.0 billion. Zking Property & Casualty Insurance Co., Ltd. is a company whose directors are staff of Jiangsu Guoxin Investment Group Limited who serve as Directors of the Company.
2. Jiangsu Communications Holding Co., Ltd. held 489,065,418 Shares at the end of 2021, accounting for 5.39% of the total share capital of the Company, as the second largest holder of A Shares of the Company. Jiangsu Communications Holding Co., Ltd. was established in March 1993 as a wholly state-owned enterprise under Jiangsu SASAC with registered capital of RMB16.8 billion. Bank of Nanjing Co., Ltd. is a company whose directors are staff of Jiangsu Communications Holding Co., Ltd. who serve as Supervisors of the Company; Fuanda Fund Management Co., Ltd. is a company on which Jiangsu Communications Holding Co., Ltd. has exerted significant influence.
3. Govtor Capital Group Co., Ltd. held 356,233,206 Shares at the end of 2021, accounting for 3.92% of the total share capital of the Company, as the third largest holder of A Shares of the Company, where a director of the Company serves as a member of its senior management. Govtor Capital Group Co., Ltd. was established in July 1992 as a wholly state-owned enterprise under Jiangsu SASAC with registered capital of RMB3.0 billion. Jiangsu Fenghai New Energy Seawater Desalination Development Co., Ltd. is a company whose directors are staff of Govtor Capital Group Co., Ltd. who serve as Directors of the Company.
4. China Southern Asset Management Co., Ltd. is a company at which the Directors and senior management of the Company serve as directors. China Southern Asset Management Co., Ltd. was established in March 1998. It has registered capital of RMB361.72 million and was registered in Shenzhen. It primarily engages in businesses including fund raising, fund sales and asset management. CSOP Asset Management Limited is a company at which the Directors of the Company serve as directors.
5. Bank of Jiangsu Co., Ltd. is a company at which the senior management of the Company serve as directors. Bank of Jiangsu Co., Ltd. was established in January 2007. It has registered capital of RMB11,544.45 million and was registered in Nanjing. It primarily engages in businesses including deposit, loan and settlement business.

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6. Lian Life Insurance Co., Ltd. is a company at which the Directors of the Company serve as directors. Lian Life Insurance Co., Ltd. was established in July 2011. It has registered capital of RMB4,579,384,709 and was registered in Nanjing. It is primarily engaged in businesses including in life insurance, health insurance, accident insurance and other personal insurance business.
7. CMB Wealth Management Company Limited is a company at which the former Directors of the Company who departed within the past 12 months serve as directors. CMB Wealth Management Company Limited was established in November 2019. It has registered capital of RMB5,000 million and was registered in Shenzhen. It is primarily engaged in businesses including the issuance of financial products, financial advisory and consulting services, etc.
8. Leysen Jewelry Co., Ltd. is a company at which the Directors of the Company served as directors in the past 12 months. Leysen Jewelry Co., Ltd. was established in November 1999. It has registered capital of RMB340.4738 million and was registered in Nanjing. It is primarily engaged in businesses including retail, acquisition, processing of jewellery, arts and crafts.

**III. THE PURPOSE OF THE TRANSACTIONS AND THE EFFECT ON THE COMPANY**

1. The above-mentioned transactions with related parties that were generated from the ordinary business operation of the Company would facilitate the normal development of its business and would bring certain benefit to the Company;
2. The above-mentioned transactions with related parties were fair, the transaction prices of which were determined with reference to market prices without prejudice to the interests of the Company;
3. The above-mentioned transactions with related parties did not affect the independence of the Company and the principal business of the Company did not rely on the related parties as the result of the above-mentioned transactions with related parties.

**IV. THE REVIEW PROCEDURES**

1. The Company submitted the Proposal on the Estimated Ordinary Transactions with Related Parties of the Company for 2022 to all independent Directors for their consideration and independent opinions;

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2. The third meeting of the fifth session of the audit committee of the Board of the Company for 2022 pre-considered the Proposal on the Estimated Ordinary Transactions with Related Parties of the Company for 2022;
3. The twenty-first meeting of the fifth session of the Board of the Company considered the Proposal on the Estimated Ordinary Transactions with Related Parties of the Company for 2022; the related Directors of the Company respectively abstained from voting on proposal in relation to matters of their respective transactions with related parties. After the approval of such proposal, the Resolution on the Estimated Ordinary Transactions with Related Parties of the Company for 2022 was formed and was submitted to the 2021 Annual General Meeting of the Company for consideration and approval;
4. During the consideration of the above-mentioned transactions with related parties in the AGM, related Shareholders shall abstain from voting on the matters in relation to their respective transactions with related parties.

#### **V. THE SIGNING OF AGREEMENT ON TRANSACTIONS WITH RELATED PARTIES**

It is proposed the senior management of the Company to be authorized to sign or renew relevant agreements according to the needs of ordinary business development of the Company at the AGM, so long as such transactions are within the scope of the transactions with related parties expected in the ordinary course of business in 2022.

#### **VI. IMPLEMENTATION OF DAILY RELATED PARTY TRANSACTIONS IN 2021**

According to the Listing Rules, the Company has grouped and summarized the daily related party transactions within the expected scope and disclosed it in the Company's 2021 Annual Report. For the implementation of the Company's daily related party transactions in 2021, please refer to "XI. Major Related-Party Transactions (I) Connected Transactions Relevant to Daily Operations" under "Major Events" in the 2021 Annual Report of Huatai Securities Co., Ltd. dated March 30, 2022 published on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn).

This resolution has been considered and approved at the twenty-first meeting of the fifth session of the Board of Directors, and is now submitted to the Shareholders for your consideration.

**The Board of Directors of the Company**