



(GDR under the Symbol: "HTSC")

ANNOUNCEMENT IN RELATION TO RESULTS OF THE GRANT UNDER THE RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES

Pursuant to the relevant rules of the CSRC, the Shanghai Stock Exchange and China Securities Depository and Clearing Company Limited Shanghai Branch, and in accordance with the relevant requirements of the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. (the “**Incentive Scheme**”) considered and approved at the 2021 First Extraordinary General Meeting of the Company, the Company has completed the registration of the grant of the Restricted A Shares.

References are made to the announcement of the Company dated December 31, 2020, the circular of the Company dated January 8, 2021 (the “**Circular**”), the poll results announcement of the 2021 First Extraordinary General Meeting of the Company dated February 8, 2021 and the announcement of the Company dated March 23, 2021, in relation to, among other things, the Incentive Scheme. Unless otherwise defined in this announcement, terms used in this announcement shall have the same meanings as those defined in the aforesaid announcements and Circular.

I. PARTICULARS OF THE GRANT OF RESTRICTED SHARES

On March 23, 2021, the Company convened the fourteenth meeting of the fifth session of the Board and the eighth meeting of the fifth session of the Supervisory Committee, at which the Resolution on Adjustment to the Matters Pertaining to the Incentive Scheme of Restricted A Shares of the Company (《關於調整公司A股限制性股票股權激勵計劃相關事項的議案》) and the Resolution on Granting Restricted A Shares to Incentive Participants (《關於向激勵對象授予A股限制性股票的議案》) were considered and approved to set out the Grant Date on March 29, 2021, on which date 45,640,000 restricted A Shares were granted to 813 eligible Incentive Participants at the Grant Price of RMB9.10 per Share. During the actual subscription process upon the determination of the Grant Date of the Incentive Scheme, the number of the Incentive Participants reduced from 813 to 810 due to personal reasons, and 45,488,000 shares were actually subscribed.

According to the authorization of the 2021 First Extraordinary General Meeting of the Company, the actual grant under the Incentive Scheme is as follows:

1. Grant Date: March 29, 2021
2. Grant Price: RMB9.10 per Share

3. Number of Incentive Participants granted: 810 individuals
4. Number of Restricted Shares granted: 45,488,000 restricted A Shares
5. Source of Shares: ordinary A Shares repurchased by the Company from secondary market
6. The Incentive Participants:

Name	Position	Number of Restricted Shares granted (0' 000 shares)	Percentage to the total number of Restricted Shares granted under the Share Incentive Scheme (%)	Percentage to existing total share capital (%)
Zhou Yi	Chief Executive Officer, Chairman of the Executive Committee and Executive Director	72.00	1.58%	0.008%
Li Shiqian	Member of the Executive Committee	60.00	1.32%	0.007%
Sun Hanlin	Member of the Executive Committee	60.00	1.32%	0.007%
Jiang Jian	Member of the Executive Committee	60.00	1.32%	0.007%
Zhang Hui	Member of the Executive Committee, Secretary to the Board	60.00	1.32%	0.007%
Chen Tianxiang	Member of the Executive Committee	60.00	1.32%	0.007%
Jiao Xiaoning	Chief Financial Officer	50.00	1.10%	0.006%
Jiao Kai	Chief Compliance Officer, General Legal Counsel	50.00	1.10%	0.006%
Wang Chong	Chief Risk Officer	50.00	1.10%	0.006%
Other core key employees (801 persons)		<u>4,026.80</u>	<u>88.52%</u>	<u>0.444%</u>
Total		<u>4,548.80</u>	<u>100.00%</u>	<u>0.501%</u>

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

II. VALIDITY PERIOD, LOCK-UP PERIOD AND UNLOCKING OF THE INCENTIVE SCHEME

The validity period of the Incentive Scheme shall commence from the date of completion of registration of the granted Restricted Shares and end on the date when all the Restricted Shares granted to the Incentive Participants are fully unlocked (excluding those subject to voluntary lock-up or reduction restriction over Directors and senior management) or repurchased and deregistered, for a maximum of six years.

The unlocking period and unlocking schedule of each period of the Restricted Shares granted under the Incentive Scheme are set out below:

Unlocking Arrangement	Unlocking Period	Unlocking proportion
The first unlocking period	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day of 36 months from the date of completion of registration for the grant of the Restricted Shares	33%
The second unlocking period	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day of 48 months from the date of completion of registration for the grant of the Restricted Shares	33%
The third unlocking period	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day of 60 months from the date of completion of registration for the grant of the Restricted Shares	34%

III. VERIFICATION OF THE SUBSCRIPTION PROCEEDS OF THE RESTRICTED SHARES

On March 31, 2021, KPMG Huazhen LLP issued the Capital Verification Report (KPMG Huazhen Yan Zi No. 2100166), which verified the availability of subscription proceeds under the Restricted Share Incentive Scheme of A Shares of the Company as of March 30, 2021: as of March 30, 2021, the Company had in aggregate received subscription proceeds of RMB413,940,800 from 810 Incentive Participants.

As the Restricted Shares in respect of this grant were ordinary A Shares repurchased by the Company from the secondary market, according to the notes to the capital verification attached to the Capital Verification Report, the total number of shares of the Company remained 9,076,650,000 before and after this grant, and the registered capital or share capital of the Company did not change.

IV. REGISTRATION OF THE RESTRICTED A SHARES

The total number of the Restricted A Shares granted for registration under the Incentive Scheme was 45,488,000. The Company has completed the registration of such shares at China Securities Depository and Clearing Company Limited Shanghai Branch, and received the Certificate of Registration of Changes in Securities issued by China Securities Depository and Clearing Company Limited Shanghai Branch on April 7, 2021. The record date is April 6, 2021.

V. IMPACT ON THE CONTROLLING SHAREHOLDERS OF THE COMPANY BEFORE AND AFTER THE GRANT

As the shares granted under the Incentive Scheme were ordinary A Shares repurchased by the Company from the secondary market, the Company's share capital remained unchanged upon the completion of this grant. The Company has no controlling shareholders, and this grant will not lead to any change in the right of control of the de facto controllers of the Company.

VI. CHANGES IN THE SHARE CAPITAL STRUCTURE

The changes in the share capital structure of the Company before and after this grant of the Restricted A Shares are set out below:

Unit: Shares

Type of Shares	Before the Changes		Increase/ Decrease	After the Changes	
	Number (shares)	Proportion (%)		Number (shares)	Proportion (%)
A Shares	7,357,604,320	81.06		7,357,604,320	81.06
– Floating shares not subject to selling restrictions	7,357,604,320	81.06	-45,488,000	7,312,116,320	80.56
– Shares subject to selling restrictions	0	0	45,488,000	45,488,000	0.50
H Shares	1,719,045,680	18.94		1,719,045,680	18.94
Total	9,076,650,000	100.00	0	9,076,650,000	100.00

VII. PLAN ON THE USE OF PROCEEDS

The total subscription proceeds received from this grant of the Restricted A Shares were RMB413,940,800 and will be used to replenish the working capital of the Company.

VIII. IMPACT OF THE GRANT OF RESTRICTED SHARES ON THE FINANCIAL POSITION OF THE COMPANY

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payment, at each balance sheet date within the Lock-up Period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

The closing price of A Shares at the Grant Date (being March 29, 2021) shall be taken by the Company as the fair value of the Restricted Shares, and the difference between the closing price of A Shares at the Grant Date and the Grant Price shall be recognized by the Company as the share-based payment expense per Restricted Share, and the share-based payment expenses shall be determined eventually.

Upon calculation, the impact of the Restricted A Shares under this grant on the accounting costs incurred during each period is shown in the table below:

Unit: RMB 0'000

Total Costs	2021	2022	2023	2024	2025
37,027.23	10,039.16	13,228.50	8,774.69	4,186.24	798.64

Note: The above figures only represent the preliminary calculation of the incentive expenses arising from the Incentive Scheme. The final results are subject to those disclosed in the audit report issued by the accounting firm.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	a joint stock company incorporated in the People’s Republic of China with limited liability under the corporate name 华泰证券股份有限公司(Huatai Securities Co., Ltd.), converted from our predecessor 华泰证券有限责任公司(Huatai Securities Limited Liability Company) on 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 Stock Exchange of Hong Kong Limited 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

Huatai Securities Co., Ltd.
April 7, 2021